

REIA NEWS

ISSUE 85: DECEMBER 2018



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

REIA NEWS WILL BE BACK IN FEBRUARY 2019.

IN THIS ISSUE

NEW DIRECTORS
REIA BOARD 2019

FINALISTS FOR THE REIA
NATIONAL AWARDS FOR
EXCELLENCE 2019

MARKET SNAPSHOT

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PRESIDENT'S REPORT

Mr Adrian Kelly
REIA President



WELCOME FROM REIA'S NEW PRESIDENT

Welcome to the last edition of REIA News for 2018 and the first for me as the incoming REIA President.

By way of introduction I was born and raised in Hobart and have worked in the Tasmanian real estate industry since 1990. I am the founder and CEO of an independent agency comprising seven sales and property management offices. I am also a Board Member of the Real Estate Institute of Tasmania and its immediate past President.

The focus of this month's REIA News is on the annual awards the REIA state based member organisations have recently held recognising the best performers across a wide spectrum of categories including residential, commercial, rural,

sales, property management, buyers agent, marketing and innovation.

These annual awards are an industry highlight. They acknowledge the hard work and effort by individuals in achieving the best results for their clients and encourage and promote excellence and best practice in the real estate profession.

Importantly, the winners at the state level have the opportunity to compete against their peers at the REIA National Awards for Excellence in Perth on 21 March 2019. It is the ultimate accolade to be a national winner. Being a national winner brings with it the recognition of being the best of the best.

I am encouraged by the increasing number of professionals that strive to

be recognised as the best in Australia. I wish all contestants for the national awards the very best for next March and look forward to meeting them in Perth.

I hope you enjoy reading this month's edition.

Next year will be an important one for the industry with the upcoming Federal Election and the public debate continuing on taxation of housing and affordability. REIA will continue to be a strong advocate for the retention of negative gearing, will continue to lobby for taxation reform at all levels and for the appointment of a dedicated Minister for Property Services.

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

Mr Adrian Kelly
REIA PRESIDENT



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REIA ELECTS NEW PRESIDENT



Adrian Kelly

President – Real Estate Institute of Australia

The Real Estate Institute of Australia (REIA) has welcomed the election of a new President, Adrian Kelly from Tasmania.

Mr Kelly was elected as the 45th President of REIA, the national professional association for Australia's real estate sector at the Annual General Meeting held in Canberra on 13 December, effective immediately. Hayden Groves from Western Australia was re-elected Deputy President for another 12 months.

Adrian was born and raised in Hobart and has worked in the Tasmanian real estate industry since 1990. He is the founder and CEO of View Real Estate, an independent agency comprising seven sales and property management offices across Tasmania. Adrian's real estate experience includes residential sales, property management and commercial sales

including hotels and motels. He is also an accomplished auctioneer having spent a number of years as a full-time auctioneer within his own business specialising in plant and equipment and asset sales for local councils, finance companies among others.

Adrian is a licensed Estate Agent, Board Member of the Real Estate Institute of Tasmania (REIT) as well as the immediate past President of the REIT having served in that role for four years. He also sits on the Property Agents Board which is the regulatory authority in Tasmania and is an Associate of the REIA. He is the seventh President to be elected from Tasmania and the first since Peter Bushby who served from 2012 to 2014.

In accepting the role, Mr Kelly thanked out-going President, Malcolm Gunning, from New South Wales, who has held the position for two years.

"Malcolm has provided excellent stewardship of the organisation since 2016 and during that time he has achieved much in ensuring that our members have a strong national voice," Mr Kelly said.

"On behalf of the REIA Board and the REIA Secretariat, we extend our sincere thanks to Malcolm for his professionalism and commitment to the role during his tenure."

Mr Kelly said next year will be an equally important one for the sector with the upcoming Federal Election and the public debate continuing on taxation of housing and affordability.

"REIA will continue to be a strong advocate for the retention of negative gearing, will continue to lobby for taxation reform at all levels and for the appointment of a dedicated Minister for Property Services," Mr Kelly said.

Robyn Waters representing the Real Estate Institute of Victoria (REIV) and Independent Director, Chris Mourd were also farwelled standing down at the end of their term on the REIA Board.

Adrian Kelly paid tribute to Robyn Waters and Chris Mourd thanking them for their time and dedication to the profession. Adrian Kelly welcomed the incoming Board Director – Richard Simpson representing the Real Estate Institute of Victoria. A new Director will be appointed to represent the Real Estate Institute of Tasmania in coming weeks.

REIA BOARD OF DIRECTORS FOR 2019

Elected during the REIA Annual General Meeting on 13 December 2018, REIA Board Directors representing state and territory members Real Estate Institutes are:



Hayden Groves

*Deputy President REIA
Real Estate Institute of
Western Australia*

Hayden Groves has been Deputy President of REIA since 2015 and has also served as Chair of the REIA Finance Committee.

Hayden was re-elected as REIWA President at the October 2017 Council meeting, after having served for a two year term from October 2015.

Hayden has served on the REIWA Council since 2010 and as Deputy President since October 2013. Prior to this he served as the Fremantle Branch Chairman.

As REIWA President, Hayden ensures that the Institute continues to serve its members, and the public, by offering services via reiwa.com, the 'go-to' property portal in Western Australia. He also promotes agents' professionalism in the community and REIWA's important advocacy efforts.

Hayden owns and operates an established independent Fremantle based agency with a staff of 20.

Along with his triennial, Hayden holds an honours degree in politics, has studied law and is a licensed auctioneer.

As the immediate past president of the Real Estate Employer's Federation of Western Australia, Hayden has a particular interest in employer/employee relations and worked to ensure agents remained exempt from registering employment contracts with eastern states' based unions.

As REIWA's representative on the REIA board, Hayden remains committed to developing strategic policy positions that benefit the real estate industry, its stakeholders and the community.



Craig Bright

*Real Estate Institute of Australian
Capital Territory*

Craig Bright has been awarded an Associate Diploma with The Real Estate Institute of Australia and is also a registered Associate with the Real Estate Institute of the ACT and NSW. In addition to this, he has extensive experience with many of the major projects within the ACT.

Craig has also been a member of the ACT Housing Joint Venture Panel and past representative of the ACT Business Consultative Panel.

He is committed to professional service and has an intimate knowledge of the ACT market. Craig is well known throughout the Canberra Region and has an extensive client network with which he works very closely.

- Holder of course award Real Estate Sales CIT Advanced Certificate in Business (Real Estate Agency)
- Certificate of Registration under the *ACT Agents Ordinance 1968*

REIA BOARD OF DIRECTORS FOR 2019

» *continued*



Leanne Pilkington

Real Estate Institute of New South Wales

- Holder of Corporation Licence with the Real Estate Services Council of NSW
- Holder of Personal Licence with the Real Estate Services Council of NSW under the provisions of *Property Stock and Business Agents Act 1941*
- Holder of Associate diploma with the Real Estate Institute of Australia Ltd
- Holder of various qualifications through the Real Estate Institute of the ACT as well as previous member of Real Estate committees
- Member of the ACT Housing Joint Venture Panel
- Representative on the ACT Business Consultative Panel
- Past President and current Director of the Real Estate Institute of the ACT
- ACT Representative on the National Board of the REIA since 2016.

Leanne is Managing Director of leading New South Wales boutique real estate group Laing+Simmons, and one of the real estate industry's most respected and sought after commentators.

She's the only female Managing Director in real estate franchising in New South Wales and one of only a handful in Australia. Addressing the gender imbalance, empowering women agents and pushing towards industry-wide professionalism are all key passions for Leanne.

She continues to pioneer industry firsts such as establishing a womens real estate networking group, and introducing counselling and employee assistance programs for Laing+Simmons team members, while serving on industry bodies and championing the growth of professionalism in the industry at large.

Her 35 years of experience covers the full spectrum of real estate services: residential sales, property management, retail management, commercial leasing, property development and franchise management.

Leanne is a Licensed Real Estate Agent, completed her Ass Dip Valuation at UTS, and a Masters Degree in Business Administration at the Sydney Graduate School of Management.

She has been a Finalist in both the Telstra and Optus Business Women awards, was awarded the REB Thought Leader for 2017, and is the current President of the REINSW. Leanne has served as a Director on the Real Estate Institute of Australia Board since 2017.

» *article continues*

REIA BOARD OF DIRECTORS FOR 2019

» *continued*



Diane Davis

*Real Estate Institute
of Northern Territory*

Diane is the President of Real Estate Institute of Northern Territory and has been a fully Licensed Real Estate Agent for 22 years. She now holds the position of Branch Operations Manager of Elders Real Estate. Diane is passionate about the industry and is an Industry Representative Member on the Agents Licensing Board (ALB) as well as President of the Real Estate Industry Board of Management, Deputy Chair of the Territory Housing Appeals Board and Commissioner of Oaths NT.

Diane has served as a Director on the Real Estate Institute of Australia Board since 2014.



Brett Roenfeldt

*Real Estate Institute
of South Australia*

Brett commenced his career in 1979 and established a boutique agency operating in the Eastern Suburbs of Adelaide for 15 years.

He is a licensed agent and auctioneer and a current REISA Board Director having previously served on the Board.

In 1994, he established South Australia's first fulltime freelance auctioneering company and has conducted in excess of 19,500 property auctions ranging from residential, commercial, farms, vineyards, and hotels.

He currently holds a Certificate 4 in workplace training and assessment with TAELLN401A Qualification.

Brett has been successfully running a training, coaching, and mentoring business for the Real Estate industry since 1981. He has conducted training for REISA for over 33 years.

His training services have been sought after by REISA, REIWA, First National, Elders, Raine and Horne, Professionals, Century 21, and LJ Hooker to provide

specialist training covering many aspects of Real Estate practice from auctioneering, sales skills, and strategic planning. LJ Hooker International Operations contracted his services for five years, providing specific in-house training for their network Australia Wide.

Brett has served previously for 10 years on the Society of Auctioneers and Appraisers Board as President, Board Director, and Trustee of the Golden Gavel Awards.

He has served as a judge for the Australasian Auction Competition for a number of years and was Chief Judge and Convenor for the 2012 Championships and has previously held a position on the Australasian Steering Committee for four years.

Brett is passionate about this exciting Profession and the opportunity to give back and serve its members.

His Industry awards include:

- 2013 Awarded Order of Australia Medal for services to the Real Estate Industry
- 2009 REIA Presidents Award for Excellence

» *article continues*

REIA BOARD OF DIRECTORS FOR 2019

» *continued*



Richard Simpson

Real Estate Institute of Victoria

- 2008 REISA Presidents Sir Robert Torrens Award
- 2005 Inaugural Society of Auctioneers and Appraisers Hall of Fame Winner (in recognition of outstanding service to auction and the real estate profession)
- 1994, 1995, 1996 & 2001 Golden Gavel Auctioneer Winner
- 1995, 1997 & 2001 – Australasian Auctioneering Championship entrant (SA entrant)
- Member of REISA since 1982 – Fellow and an associate of the REIA since 1983.
- Member of Society of Auctioneers & Appraisers (SA) Inc. Fellow and Life Member.

Brett has served as a Director on the Real Estate Institute Board since 2017.

Richard Simpson is a partner in W. B. Simpson & Son, a family real estate business situated in North Melbourne with over 140 years of history. As a Principal in a business that sells and leases both residential & commercial property, Richard has developed an excellent understanding of the major issues facing the real estate industry today.

Richard provides extensive input into the REIV and has previously served as Chair of the REIV Commercial & Industrial Chapter Committee.

Prior to joining the family business, Richard was a Chartered Accountant with a major firm where he worked in the banking and finance and property development sectors.

Richard was elected to the Board of the REIV in 2015. He has previously served as President, Senior Vice President and Vice President of REIV. Richard has been appointed as Director on the Real Estate Institute of Australia Board representing Victoria following the completion of her term by Robyn Waters.



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in the real estate profession*

2019

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www.reia.asn.au/reia-national-awards-for-excellence-2019



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2019 AWARDS FOR

excellence

CROWN BALLROOM 1, CROWN PERTH, THURSDAY 21 MARCH 2019

The REIA National Awards for Excellence 2019 will be held at the Crown Perth on Thursday 21 March 2019. Further details for the REIA Awards for Excellence dinner in 2019, links to accommodation available and to purchase tickets for the Black tie event [click here](#).

Winners of REIA member state/territory REI awards held in 2018 in the 16 applicable categories, and therefore eligible to enter the REIA National Awards for Excellence in 2019, are outlined below and REIA wishes all the entrants the best of luck.

REIA President's Award

The REIA President's Award recognises and celebrates outstanding contributions to the real estate profession by individuals from any/all member states/territories over an extended period of time. Entrants to the REIA President's Award are nominated by a member state/territory REI.

Achievement Award

This award recognises excellence amongst newcomers to the industry in all sectors of the real estate profession.

- ACT Zoe Wheelhouse – Independent Property Management
- NSW Mark Stowe – Colliers International
- VIC -
- SA Kirk Fernandez – Toop&Toop Real Estate
- WA Chloe Mason – CBRE
- TAS Carlton Heres – Harcourts Launceston
- NT Connie Kilian-Kwok – First National Real Estate O'Donoghues

Business Broker of the Year

This award recognises excellence in business broking and is intended for individuals.

- ACT -
- NSW -
- VIC Choon Ng – Xclusive Business Sales
- SA Nikki Katz – Benchmark Business Sales & Valuations
- WA -
- TAS Farzin Hesari – Link Business Services
- NT -

Buyer's Agent

This award recognises excellence in buyer's agency practice and is intended for individuals.

- ACT -
- NSW Rich Harvey – propertybuyer
- VIC Janet Spencer – Buyer Solutions
- SA Katherine Skinner – National Property Buyers
- WA Ray Chua – Momentum Wealth Residential Property
- TAS -
- NT -

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CROWN BALLROOM 1, CROWN PERTH, THURSDAY 21 MARCH 2019

» continued

Commercial Property Manager of the Year

This award recognises excellence in property management in the commercial sector and covers individuals working in small, medium and large agencies; and independent or franchise agencies.

- ACT Rupert Cullen – Colliers International (ACT) PTY Limited
- NSW Paul McDonald - CBRE
- VIC Megan Mander – Urbane Commercial Pty Ltd
- SA Andrew Forte – Lj Hooker Commercial Adelaide
- WA Kendal Cross – CBRE
- TAS Jessie Legge – NAI Harcourts North
- NT Tilly Rogers – Knight Frank NT

Commercial Agency of the Year

This award recognises excellence in agency practice. It covers the commercial sector, including small, medium and large agencies. The agency may have multiple offices in one city or regional location, but may not be a multiple city or national franchise group. An office within a franchise may enter this category provided it is made clear the entry and all claims against selection criteria relate only to that specific office. This award is not judged on sales figures.

- ACT Colliers International (ACT) Pty Limited
- NSW Colliers International
- VIC CBRE
- SA Commercial SA
- WA -
- TAS Shepherd & Heap
- NT First National Commercial O'Donoghues

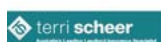
Commercial Salesperson of the Year

This award recognises excellence in selling and covers individuals working as principals, licensed agents or sales consultants in the commercial sector; small medium and large agencies and independent or franchise agencies. This award is not judged on sales figures.

- ACT Chris Antos – Laing & Simmons Commercial Property (ACT)
- NSW Miron Solomons – Colliers International
- VIC Brett Diston – Ray White Commercial Victoria – Nunawading
- SA Con Kavooris – Lj Hooker Commercial Adelaide
- WA -
- TAS Andrew Howell – NAI Harcourts North
- NT Shun Hatton – First National Real Estate O'Donoghues

» article continues

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2019 AWARDS FOR

excellence

CROWN BALLROOM 1, CROWN PERTH, THURSDAY 21 MARCH 2019

» continued

Corporate Support Person of the Year

This award recognises excellence amongst support staff in either the residential or commercial sectors. It is intended for individuals who must hold a general support position, e.g. receptionist, office manager.

- ACT Caroline Phengrasmy – Independent Property Management
- NSW Pippa Rowntree – Leah Jay
- VIC Katie Taplin – RT Edgar
- SA Tara Stokes – Harris Real Estate
- WA Melissa Harmer – Century 21 Team Brockhurst
- TAS Nicole Berry – Harcourts Signature
- NT Jenna Steel – Real Estate Central

Communications Award

This award recognises excellence in marketing, advertising or communications. Entrants must be agencies, not individuals.

- ACT Peter Blackshaw Real Estate
- NSW Nicholls & Co Estate Agents
- VIC O’Brien Real Estate Pty Ltd
- SA -
- WA Rentwest Solutions
- TAS Sims For Property
- NT -

Innovation Award

This award recognises innovation in the industry. Entrants must be agencies, not individuals.

- ACT Independent Property Group Tuggeranong
- NSW Cooley Auctions
- VIC Market Share Property
- SA -
- WA Century 21 Advance Realty
- TAS Harcourts Huon Valley
- NT Real Estate Central

Community Service Award

This award recognises the outstanding contribution of agencies or individuals involved in community service. The selection of entrants by REIA members is at the discretion of each REIA member. There is no requirement for REI members to nominate state award winners, although all entrants must be REI members, employees or corporate affiliate members (operating in the real estate sector however not necessarily practicing) at the time of nomination and at the time of the award presentation.

- ACT Peter Blackshaw Real Estate
- NSW Alexandra Haggarty - David Haggarty First National
- VIC Compton Green Pty Ltd
- SA Klemich Real Estate
- WA Century 21 Team Brockhurst
- TAS Key2 Property
- NT Ray White Darwin

» article continues

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CROWN BALLROOM 1, CROWN PERTH, THURSDAY 21 MARCH 2019

» continued

Large Residential Agency of the Year

This award recognises excellence in agency practice in the residential sector, where a single trading entity employs 21 or more people, including admin and the principal. The entrant can be an independent or a franchise office operating from a single location under its own license OR a trading entity with multiple offices in different locations operating under a single license and aggregating its offices into a single entry.

- ACT Independent Property Group Inner North & City
- NSW Highland Property Agents
- VIC Methven Professionals Mooroolbark
- SA Toop & Toop Real Estate
- WA Hedland First National Real Estate
- TAS Harcourts Launceston
- NT Real Estate Central

Medium Residential Agency of the Year

This award recognises excellence in agency practice in the residential sector, where a single trading entity employs between 11 and 20 people including the principal and operates from a single location under its own license OR the entrant can be an independent trading entity or a single franchise office owned and operated under its own license.

- ACT McGrath Dickson
- NSW -
- VIC Nicholas Lynch
- SA LJ Hooker Kensington/Unley
- WA Century 21 Team Brockhurst
- TAS Harcourts Huon Valley
- NT Knight Frank NT

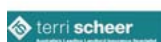
Small Residential Agency of the Year

This award recognises excellence in agency practice in the residential sector, where a single trading entity employs a maximum of 10 people including the principal and operates from a single location under its own license. The entrant can be an independent trading entity or a single franchise office owned and operated under its own license.

- ACT En Vogue Property Management
- NSW Garwood Estate Agents
- VIC Network Pacific Real Estate Pty Ltd
- SA Harcourts Barossa Valley
- WA Benchmark Specialist Property Managers
- TAS Sims For Property
- NT Elders Real Estate Katherine

» article continues

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CROWN BALLROOM 1, CROWN PERTH, THURSDAY 21 MARCH 2019

» continued

Residential Property Manager of the Year

This award recognises excellence in property management in the residential sector and covers individuals working in small, medium and large agencies; and independent or franchise agencies.

- ACT Renee Bink – Independent Property Management
- NSW Laura Bowd – Cobden & Hayson
- VIC Melanie Dennis – Domain & Co PM
- SA Ros Munt – Smallacombe Real Estate
- WA Laura Levisohn – M Residential
- TAS Tameka Smith – Key2 Property
- NT Michael Bongiorno – First National Real Estate Framptons

Residential Salesperson of the Year

This award recognises excellence in selling and covers individuals working as principals, licensed agents or sales consultants; in the residential sector; small medium and large agencies; and independent or franchise agencies. This award is not judged on sales figures.

- ACT Mario Sanfrancesco – Peter Blackshaw Manuka
- NSW David Highland – Highland Property Agents
- VIC Vicki Sayers – RT Edgar
- SA Kate Smith – Raine & Horne Semaphore
- WA Peter Clements – Mint Real Estate
- TAS Helen Lehane – First National Real Estate Kingston
- NT Sascha Smithett – Real Estate Central

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Real Estate Market Facts

A QUARTERLY REVIEW OF MAJOR PROPERTY MARKETS IN AUSTRALIA, SEPTEMBER QUARTER 2018

ADELAIDE & BRISBANE ONLY MARKETS WHERE HOUSING INCREASED

In the September quarter 2018, the weighted median prices of houses and other dwellings decreased in the Australian residential property market. The weighted average capital city median price decreased from \$751,411 to \$747,000.

Over the 12 months to the September quarter, the weighted average capital city median price for other dwellings decreased by 0.6%. Over the September quarter, the median rent for other dwellings decreased by 0.6%.

Fast facts
September quarter 2018
\$751,411
Quarterly Australian weighted median house price



NATIONAL MARKET SNAPSHOT

EXTRACTED FROM REAL ESTATE MARKET FACTS
SEPTEMBER QUARTER 2018

- ▶ Quarterly Australian weighted median house price is \$751,411
- ▶ Quarterly Australian weighted median other dwellings price is \$587,959

Median house prices up:

Brisbane 1.0% to \$530,500
Adelaide 1.0% to \$475,250

Median house stable

Melbourne 0.0% to \$834,000

Median house prices down:

Darwin -0.5% to \$497,500
Canberra -0.8% to \$635,000
Sydney -3.1% to \$1,101,532
Perth -4.9% to \$490,000
Hobart -6.1% to \$475,000

Median other dwelling prices up:

Canberra 1.8% to \$440,000
Melbourne 0.2% to \$604,000

Median other dwelling prices down:

Sydney -0.7% to \$734,775
Hobart -1.0% to \$365,000
Perth -1.3% to \$395,000
Adelaide -3.1% to \$344,000
Brisbane -3.7% to \$395,000
Darwin -7.7% to \$352,500



Housing Affordability Report



AdelaideBank
it's personal

September quarter 2018

Both housing affordability and rental affordability improves over the September quarter

State of the nation

Lending trends

The September quarter 2018 showed an improvement in housing affordability nationally with the proportion of income required to meet loan repayments decreasing to 31.4%, a decrease of 0.8

The total number of loans (excluding refinancing) decreased to 104,012, a decrease of 4.8% over the September quarter and a decrease of 11.9% over the same quarter last year.



NATIONAL AFFORDABILITY SNAPSHOT

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

	Sep 2018	June 2018	Sep 2017
Proportion of family income to meet:			
Home loan repayments	31.4%	32.2%	30.3%
Rent payments	23.9%	24.1%	24.4%

- NSW** Housing affordability improved most in NSW with loan repayments as proportion of income decreasing by 1.5 percentage points
- VIC** Victoria had the highest number of loans to first home buyers
- QLD** Queensland was the only state or territory in which housing affordability did not improve in the September quarter
- SA** In South Australia both housing affordability and rental affordability improved over the September quarter
- WA** Western Australia had the largest decrease in the number of loans to first home buyers, yet has the highest proportion of first home buyers
- TAS** Tasmania had the largest decline in both housing affordability and rental affordability over the past year
- NT** Northern Territory was the state and territory with most improvement in rental affordability over the quarter
- ACT** The Australian Capital Territory had the highest decrease in number of loans (excluding refinancing) (-7.8%).



REIA PUBLICATIONS

REIA has published property market data and analysis for several decades. It has an excellent reputation as a highly credible source of information and considered opinion on the residential and commercial property markets in Australia.



REIA publications use information collated from a wide variety of sources including real estate agencies, industry and government. Both raw data and analysis are published in REIA reports.

The Adelaide Bank/REIA Housing Affordability Report and the REIA Real Estate Market Facts may be purchased as a 6 or 12 month subscription. For more about the Adelaide Bank/REIA Housing Affordability Report, [click here](#). For more about the REIA Real Estate Market Facts publication, [click here](#).

Also, "datacube" spreadsheets provide key information on quarterly median values, dating from the beginning of REIA data collection through to the current quarter, for all capital cities where data is available. For more information on REIA datacubes, please call 02 6282 4277.



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THE DOORS ARE OPEN TO PROPERTY OPPORTUNITIES

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



They say you should zig while others zag, but are you brave enough to grab the opportunities out there at the moment?

If you are influenced by popular opinion, then you'll probably be sitting on the real estate sidelines right now; at least as far as property investment is concerned. General media sentiment is that the Australian property market is 'crumbling around our ears' or 'falling at record levels'. Such emotional language in the media is designed to do only one thing – fan our fears – and for many Australians it's working.

The reality is that home prices in major capital cities have experienced consecutive monthly falls for almost a year and lending conditions have become more difficult as a result. Attendance at auctions is down, so clearance rates are at an all-time low, and the length of time properties stay on the market is steadily rising. So yes, all of that is happening, but your response comes down to the perspective you choose going forward. It's human nature to err towards secure and safe choices, but property investment is about risk management. You need to decide if you are one of the few investors brave enough to prioritise opportunity over safety, in a climate of general fear.

The cyclical nature of property markets and the general stability of the Australian property market, means that the upward climb out of the trough is inevitable. Your reward could be delivered tenfold in the form of considerable gains when the upturn arrives, and arrive it certainly will. The question is; will you pull away from the masses and steel yourself for some contrarian investing?

So, what are the current opportunities and how can you maximise them?

It's true that lending conditions are particularly tough right now, but it's also true that the banks are going through a very challenging time with the Banking Royal Commission putting customer confidence at an all-time low. As a result, private lenders are working much harder at putting together great deals for investors, utilising their flexibility to be able to customise lending solutions and match the right borrowers with the finance best suited to their choices.

The climate of fear also impacts on how people price their properties to sell. Panic about managing mortgages and fear that properties won't sell, combine to create a powerful vortex. Because a smaller pool of buyers has a wider selection of properties to choose from, they hold more power than home sellers have been used to in recent years. With every weekend of low clearance rates, vendors become more negotiable and properties that may have been sold well above their value a year or two ago are now selling for perhaps as much as 8 to 10% less in parts of Sydney & Melbourne – even more in the upper quartile of the marketplace.

A big part of success in real estate is about psychology and right now the ball is firmly in the buyer's court. With less competition, buyers now face decisions not all that usual to them; which reasonably priced home will they choose from the many that are now options?



We put you first

Vendors in some marketplaces are bypassing the traditional route of marketing and auction preparations, fearing that their property will be passed in and, perhaps in some cases, that they'll end up with debt rather than profit, or even just a clean slate. Many agents report that off market transactions are becoming more common and buyers are much better placed to make a slightly lower offer AND have it accepted, than they would have been a year or two ago.

With the markets having slowed somewhat in the major capitals, but some experts forecasting a return to moderate growth by the end of 2019, rethinking your investment strategy might therefore not be a bad thing. Growth has been steady in cities like Adelaide and Hobart and this is expected to continue over the next 3-5 years. These cities also offer great lifestyles, if you plan to live in your new property or need solid reliable tenants.

As always with property investment, do your research, know what your long-term property investment goals are, and focus on choices that will help you to achieve those goals. Whatever is happening in the current climate should be considered, but it shouldn't motivate your decisions entirely. If there is a great property available at an unbelievable price, don't jump on it like a hung-over bargain shopper on Boxing Day. Nothing is too cheap if you don't need it. Focus on quality properties that fulfil your goals in areas that have historic records of strong and stable growth, with more of the same predicted for their future.



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ATO HAS EYE ON SHORT-TERM RENTALS

The Australian Taxation Office (ATO) this year launched an extensive data-matching program to identify taxpayers receiving income from short term rentals. Information from online platform sharing sites for around 190,000 Australians are now being examined to identify taxpayers who have left out rental income and over-claimed deductions.

The rental property market makes up a significant share of the economy. In 2016 approximately 2.1 million individuals reported rental income of \$42 billion. Rental properties are high on the ATO's priority list given that there is evidence that some taxpayers are getting it wrong.

The ATO now matches data provided by online rental platforms and their financial institutions against ATO records to identify taxpayers not meeting their registration, lodgement, reporting, or payment obligations when renting out property on a short term basis. The new data complements long-term rentals information which the ATO already receives from state and territory bond boards.

The data collected includes income received per listing as well as listing dates, enquiry and booking rates, prices charged or quoted per night and other information.

Details of the ATO's data matching strategies are published at ato.gov.au/datamatching

Do your clients own a rental property?

If your clients own a residential rental property, remind them they are not able to claim deductions for travel expenses relating to inspecting, maintaining, or collecting rent these holidays. Your clients can deduct travel expenses if they are carrying on a rental property business or are an excluded entity.

If your clients have already incorrectly claimed deductions for the cost of travel to and from their property in their 2018 tax return, they will need to request an amendment.

The law change came into effect on 1 July 2017 and affects tax returns from 2017–18 and onwards.

For more information visit ato.gov.au/rentaltravel

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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INDUSTRY UPDATE

Industry news from around Australia



Northern Territory

2018 has proven to be one of the most trying years on record for the Darwin property market with volumes falling to near record lows and prices retreating to those of the late 1990's.

This has been coupled with vacancy rates rising to nearly 9 percent as the year closed out.

The key issue has been an oversupply, predominantly in the Unit market, which in itself is not an unusual situation in any property market from time to time, but we have had this occur at a time when we also have witnessed a huge exodus of population from the Territory following the completion of the construction phase of the giant (US\$40 billion) INPEX gas plant. The result has been a rapid, and ongoing, decrease in demand coupled with an ample supply of stock.

Interestingly the same scenario has not played out in Alice Springs which, in 2018, saw strong resurgence. Sales were up dramatically and rental vacancies have fallen to less than 1 percent (at one stage there was virtually no residential rentals available in the Alice metro area), and this has also given them rental yields above 8 percent – stronger than any other major metro area in Australia.

We are hopeful that 2019 will be the start of an economic revival in the Territory

led by onshore gas exploration. There is an area, around 600 kilometres South of Darwin known as Beetaloo Basin. Gas has been discovered there in quantities unheard of before in Australia – in fact the first tranche of exploration has shown approximately 500 times more gas at Beetaloo than the INPEX gas lines will be bringing in from off-shore....in fact as one pundit put it, enough gas to meet Australia's entire consumption needs for over 500 years. Assuming all goes well with the initial exploration and licenses to drill, there is a real hope of around 6,000 to 10,000 jobs being created and a drive to repopulate the Top End. And population growth is what is needed to normalise the Darwin property market.

Quentin Kilian, CEO, The Real Estate Institute of the Northern Territory

Brett Hunter to take helm of REINSW in November 2019

The Real Estate Institute of New South Wales has elected Brett Hunter as President-Elect of the industry body, effective November 2018 – for a one-year term.

REINSW CEO Tim McKibbin said the appointment of Brett Hunter as President-Elect will ensure a smooth transition when REINSW President Leanne Pilkington steps down in 12 months-time.

“Brett has contributed to the direction and strategy of the REINSW for 10 years, and is recognised within the industry as a strong leader and innovator,” Mr McKibbin said.

Based on the Central Coast, Brett is the director of Raine&Horne Terrigal, Avoca-Beach, Saratoga, Erina.

“As an advocate for the Path for Professionalism, Brett's enthusiasm and dedication means REINSW will be in good hands.”

The new REINSW Board was sworn in on Thursday, 22 November 2018 at the REINSW AGM.

Source: The Real Estate Institute of New South Wales

INDUSTRY UPDATE

Industry news from around Australia



» *continued*



Suzannah Toop

Legacy is not always a good thing, says Suzannah Toop

Although her list of accomplishments is (incredibly) long – she completed a double degree in Law and Commerce, was accepted into AMP’s Capital Graduate Program and in 2016 she was admitted as a lawyer in the Supreme Court of NSW – when Suzannah Toop returned to Adelaide to run her family’s real estate business with her sister, she was young and had never sold a house.

But that certainly didn’t stop her maintain and growing Toop&Toop’s reputation as South Australia’s leading independent real estate agency.

On the advantage of inexperience

“When I returned to Adelaide to take the helm at Toop&Toop with my sister,

we knew our competitors would look at us as two young women who have never sold real estate,” says Suzannah.

“But what they didn’t consider was that being young meant we are tech savvy, being female meant we built a business that empowers women to build long-term careers and having never sold real estate meant we could look at the process with fresh eyes.

“However, our competitors still certainly questioned the future and stability of Toop&Toop.”

This prompted Suzannah and her sister to look at Toop&Toop’s offering critically.

“We started looking at things under a microscope,” says Suzannah. “We realised we hadn’t changed that much (which isn’t a bad thing). But we did question whether we were reinventing ourselves enough.

“We asked ourselves would we be doing things the same way if we started the business today.”

On the question of pace

Suzannah says in asking tough questions, they could better identify what was working well, what needed improvement and what needed to go.

“For us, trying to work out how to combat pace was a big issue,” she says.

“We used to write a letter, put it in an envelope, stick a stamp on it and post it. The recipient would do the same and the whole communication process could take up to 14 days.

“Now the average worker receives 88 emails a day and checks their email 77 times a day. We realised we couldn’t keep operating like this.”

On using technology

Suzannah says the issue of pace is compounded by changing consumer behaviour.

“Consumers now expect what they want instantly. And it’s up to us to provide it,” she says. “We did not want to be a taxi company in the year before Uber came out.

“We wanted to ensure that the technology we invested in (and continue to evolve and review) will be what our clients need now and in the future. There’s no point updating a taxi metre when within a year everyone will have an app to order a car that can be tracked.”

Suzannah says every technology they implemented was to ensure they remained relevant to their clients.

“We focused on automation but did not replace personnel,” she says. “We leveraged technology to allow our staff to have more time to provide the level of service our clients expect. This allowed us to become high tech and high touch.”

On the future

Suzannah says we can all take comfort in the fact that every industry is changing.

“We’re all in this together,” she says. “All industries are expected to change, not just real estate.”

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INDUSTRY UPDATE

Industry news from around Australia



» *continued*

She also reminds us that as technology changes our environments, our hiring decisions must also evolve.

“At Toop&Toop, we measure IQ and EQ (emotional quotient or emotional intelligence), but we also measure AQ, adversity quotient,” she says.

“When markets shift and real estate gets harder, AQ is incredibly important.”

Source: The Real Estate Institute of New South Wales

REINSW launches petition for Property Services Commissioner

The Real Estate Institute of New South Wales is calling on the community to sign a [petition](#) for the real estate profession to move out from under NSW Fair Trading and place it under the direction of a Property Services Commissioner reporting to the Department of Premier and Cabinet.

REINSW CEO Tim McKibbin said it is time for the Premier to recognise the extraordinary value and importance that property has to the hearts and hip pockets of her constituents and the economy of the state.

“Residential real estate contributes \$107 billion to the NSW economy annually* and more than \$8.4 billion to the State Government through stamp duty**. However, NSW ‘boasts’ the most expensive real estate in Australia with government legislation and red tape adding more than 40 per cent of the cost of a new home***,” Mr McKibbin said.

“Residential real estate is a high value, low volume, high risk investment that requires better levels of education and professionalism than Fair Trading can mandate.

“Creating a Property Services Commissioner will provide a consistent strategy to address housing affordability in NSW. It will provide a consistent strategy and framework to deliver better quality planning outcomes.

“It will provide a single centralised overview of legislation and regulation that impacts residential, commercial, strata and rural property.

“A Property Services Commissioner will be able to advise government on best outcomes to remove legislative red tape and improve consumer protection as well as support the drive to increase education, service delivery standards and consumer satisfaction through the property services industries.

“We are seeking over 10,000 signatures, as this level of engagement means that a third of the profession is voicing their opinion and action would need to be taken,” Mr McKibbin said.

To sign the petition titled Gladys Berejiklian: Move Property Services Out of Fair Trading go to <https://www.change.org/p/the-premier-of-nsw-gladys-berejiklian-move-property-services-out-of-fair-trading>

*Sources: *CoreLogic, ** Statetax.com.au, *** HIA*

Source: The Real Estate Institute of New South Wales

Housing and rental affordability improves across Australia: report

Housing affordability has shown improvement across Australia, except for Queensland where it has remained stable, according to research from the Real Estate Institute of Australia and Adelaide Bank.

REIA President Malcolm Gunning said the September quarter 2018 edition of the *Adelaide Bank/REIA Housing Affordability Report* found rental affordability improved in all states and territories except for Victoria and Tasmania.

“New South Wales showed the most improvement in housing affordability over the quarter and the Northern Territory show the most improvement in rental affordability,” Mr Gunning said.

“Over the quarter the proportion of median family income required to meet average loan repayments decreased by 0.8 percentage points to 31.4 per cent, while the proportion of median family income required to meet rent payments decreased by 0.2 percentage points to 23.9 per cent.”

Across the country, the number of loans decreased by 4.8 per cent, with decreases in all states and territories, the largest in the Australian Capital Territory (-7.8 per cent). New loans also decreased by 11.9% from the same quarter in 2017. All states and territories showed an annual decline in new loans except for Tasmania where there was a 2.7 per cent increase. The decline ranged from 17.6 per cent in Western Australia to 4.4 per cent in South Australia.

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INDUSTRY UPDATE

Industry news from around Australia



» *continued*

“Despite improved housing affordability, the number of first home buyers decreased by 2.0 per cent over the quarter. However, the results are mixed around the country with large increases in the Northern Territory (14.7 per cent) and a decline in Western Australia (-5.7 per cent).

“The decline in first home buyers is systematic of the credit squeeze that is emerging. While APRA’s restrictions were designed to curb high risk lending practices the current practice of reducing loan amounts and increasing approval times across the board is becoming a constraint on economic growth,” Mr Gunning said.

House price drop largest in seven years: REIA

House prices have seen the largest decrease since December 2011, according to the latest research from the Real Estate Institute of Australia.

REIA Real Estate Market Facts for the September quarter 2018 shows weighted average median prices fell by 1.6 per cent for houses, the most in almost seven years and by 0.8 per cent for other dwellings, their largest decline in 12 months.

REIA President Malcolm Gunning said the weighted average median price for houses for the eight capital cities decreased to \$751,411 over the quarter, with prices decreasing in all capital cities except for Brisbane and Adelaide and remaining stable in Melbourne.

“The weighted average median price for other dwellings decreased to \$587,959 over the quarter, with prices decreasing in all capital cities except for Melbourne and Canberra. Hobart had the largest fall in house prices and Darwin had the largest fall in other dwellings. Hobart has the lowest median price for houses at \$475,000 and Adelaide the lowest median price for other dwellings at \$344,000.

“Over the quarter, the median rent for three-bedroom houses increased in Melbourne and Hobart, remained steady in Sydney, Brisbane, Adelaide, Perth and Canberra. Darwin was the only capital where the median rent for three-bedroom houses declined.

Mr Gunning said the median rent for two-bedroom other dwellings increased in Melbourne, Brisbane and Adelaide, remained steady in Sydney, Perth and Canberra and, decreased in Hobart and Darwin. Melbourne had the largest increase while Hobart had the largest decrease.

“The weighted average vacancy rate for the eight capital cities increased to 2.6 per cent during the September quarter indicating a slight easing of the rental market.

“The markets of Sydney, Melbourne, Brisbane, Canberra and Hobart have vacancy rates below the 3.0 per cent benchmark indicating a strong demand for rental accommodation in these capital cities.

“Reflecting the squeeze on loan approvals, over the past 12 months, loan numbers have decreased by 11.9 per cent across the country with loans to first home buyers decreasing by 3.7 per cent.

Mr Gunning said the size of loans has also fallen with the average loan across Australia dropping by 1.8 per cent, the largest quarterly decrease since March 2017.

“Loans to first home owners are also reducing in size. Up until a year ago the average loan to those entering the market was above 90 per cent of the rate of non first home buyers. Since June 2017, this rate has decreased to 80 to 85 per cent,” Mr Gunning concluded.

Victorian election result

The REIV has congratulated the Hon. Daniel Andrews and the Victorian Government on their resounding victory in the Victorian Election, which was held on 30 November 2018.

Daniel Andrews’ positive campaign, promises that focussed on the future, underpinned by an articulated vision, strong economy and clear plans around infrastructure, public services and social policy reform contributed to the sweeping success.

The REIV has publicly supported the current and proposed infrastructure projects that will transform Victoria. The Government’s ambitious agenda

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INDUSTRY UPDATE

Industry news from around Australia



» *continued*

is estimated to cost around \$60 billion aimed at setting Melbourne up as Australia's biggest city with a population intake of around three million in the next two decades.

The Government will be hoping that the economic conditions remain buoyant and that the property industry continues to contribute to the Government's revenue base.

Key platforms for the second term relevant to our industry are:

- Immediate start to the \$16 billion North-East Link
- Melbourne Metro Rail Link continuation
- \$6 billion extension of the level crossing program
- Planning for \$10 billion Melbourne Airport Rail Link
- Roll out of one million subsidised solar panels (further information on this will be forthcoming including rebates for property owners for rental properties)

It is important to note that the REIV took a bipartisan approach to the election and supported and rejected policies, not politics.

We have already began meeting with new ministers, engaging with relevant departments and continuing to advocate in the interests of our members.

Source: Gil King, CEO, The Real Estate Institute of Victoria

Stable property market conditions expected in WA in 2019

REIWA's 2019 outlook indicates the WA property market should remain stable in the New Year, with some notable improvements expected in the Perth rental market.

REIWA President Damian Collins said market conditions throughout 2018 had been fairly subdued, with the most significant improvements occurring in the rental sector.

"We've seen weekly sales in Perth hover at around 500 per week throughout the year, while listings for sale were largely unchanged from 2017 levels, fluctuating between 13,000 and 16,000. Listings should continue to trend at current levels throughout 2019.

"While we expect sales activity in 2019 to largely reflect what we've seen this year, there is a possibility that rising consumer confidence levels, coupled with improved housing affordability, could translate into increased sales volumes in 2019.

"If weekly sales remain at current levels or better, Perth's median house price could improve during the next 12 months. However if lending standards tighten further, this could restrict the number of people that are able to purchase a property, which could negatively impact sales and prices. Additionally, if the banks choose to increase interest rates any further, this also has the potential to adversely affect buying and lending conditions in WA," Mr Collins said.

Perth rental market

REIWA analysis shows the upward trajectory of the Perth rental market should continue through 2019, with stable population growth and slowing new-building construction levels the key drivers for this improvement.

Mr Collins said the Perth rental market had lead the way in 2018, with stable median rents, healthy leasing activity levels, declining listings and a plummeting vacancy rate.

"With population growth in WA expected to remain stable and new dwelling commencements slowing, available rental stock should continue to decline. This should see competition amongst tenants increase, putting further downward pressure on the vacancy rate, which recently dropped below four per cent for the first time in four years," Mr Collins said.

Perth's overall median rent price has held at \$350 per week since April 2017 – the longest period of stable rents Perth has experienced since REIWA first started recording rental data in 2001.

"We're at 19 months and counting of stable median rent prices in Perth. If listings continue to decline and leasing volumes remain healthy, we should see the overall median rent price increase in 2019 for the first time since September 2014," Mr Collins said.

While REIWA's 2019 outlook for the Perth rental market is positive, any changes to negative gearing could

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia



» continued

pose a risk for both the rental sector and wider property market.

"In the short term, the improvements we've observed in the rental market could see investors returning to the market, however if changes to negative gearing are legislated, this will likely dampen investor activity and have a detrimental effect on the wider WA property market just as it is starting to find its feet," Mr Collins said.

"As the next Federal Election nears, REIWA will continue its efforts to ensure politicians do not meddle with negative gearing to ensure a healthy and sustainable rental market into the future."

Regional WA

REIWA expects overall market conditions to improve in Regional WA in 2019 as a direct result of investment in the mining sector.

"Port Hedland, Karratha and Kalgoorlie are areas to watch, with the new mining projects going a long way to restoring confidence in these regions. These projects are expected to create thousands of new local jobs, which should continue to support population growth, improve demand for housing and aid recovery," Mr Collins said.

"The WA Government's push for tourism looms as another positive for Regional WA, as it could provide some much needed support to WA's tourist focused regions, like the South West.

"After a prolonged period of turbulent conditions following the slowdown in the mining sector, the WA market appears to be stabilising. While the worst appears over, REIWA cautions against expectations of a rapid recovery during the next 12 months."

Source: The Real Estate Institute of Western Australia

Save time by ditching paper-based agreements

New research from DocuSign Australia says real estate agents are leading the charge for electronic communications in property transactions. But there is still more to accomplish.

Despite technology having transformed many aspects of the real estate industry, from online listings to mobile searches and virtual tours, 67 per cent of agents surveyed said many processes are still manual and paper-based.

In a technologically-charged business environment, manual paper-based processes represent inefficiencies that are frustrating at best and financially harmful at worst.

Technology increasing productivity

"66 per cent of those surveyed believe real estate agents should be embracing document automation technology to be successful in today's market."

Just under two thirds (64%) of agents surveyed find the process of exchanging agency agreements and other contracts

stressful, with 68 per cent attributing this stress to the time it takes to finalise contracts at the speed the client desires.

Director of Cunninghams, Andrew Lutze, says technology helps to overcome these challenges.

"Technology allows us to increase our productivity, streamline our processes and spend more time giving customers the personalised service they expect," he says.

Other agents agree, with two thirds (66%) of those surveyed saying they believe the industry should be embracing document management technology to be successful in today's market.

Despite this, almost half of respondents (48%) indicated that entrenched processes and behaviours are preventing a transition to digital systems.

Asia Pacific Vice President of DocuSign, Brad Newton, says while many agents are entrenched and over-reliant on manual processes, the industry is embracing the advantages of technology.

"The real estate industry is waking up to digitisation, with agents in a number of states moving to digital systems to manage agency agreements," he says.

"For real estate agents, this directly impacts their bottom line because time spent in the office chasing paperwork is time they're unable to spend prospecting, listing and closing other deals to bring in more commission."

» article continues

INDUSTRY UPDATE

Industry news from around Australia



» *continued*

Adopting innovations

Of those who have been quick to adopt e-signature technology that allows them to manage agency agreements online, a quarter (26%) said they have seen business growth of 30 per cent or more after introducing it.

Seven in 10 agents surveyed for the research said if they could complete agency, tenancy and leasing agreements faster they would spend their extra time servicing (79%) and attracting (72%) other clients. Around half (47%) said they would use the time to research better ways to conduct business and 41 per cent said they would invest the time in professional development.

“Agencies need to add value to property transactions,” says REINSW CEO, Tim McKibbin. “By using the right technology, they can offer speed of service, security and convenience. They can also demonstrate that their agency is forward-thinking and competitive, and agents can spend more time working on those parts of the sales process that need the personal touch.”

Adding value to clients is not the only benefit that comes from managing agreements online. 64 per cent of survey respondents said this technology would give them more mobility and allow them to achieve a better work/life balance.

“e-signatures are the first step for real estate agents in creating more productive businesses,” says Newton.

“But completely digitising the way they are creating, signing, acting on and managing agreements takes it to the next level.

“Agencies who have adopted this modern System of Agreement tell us it significantly transforms the client experience, reduces human errors, increases security and allows for easier recall of the documents.”

Source: The Real Estate Institute of New South Wales

POLITICAL WATCH

Information and news from government



Dwelling approvals fall in October

The number of dwellings approved in Australia fell by 1.1 per cent in October 2018 in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

“The trend for total dwellings has been steadily declining over the past twelve months,” said Justin Lokhorst, Director of Construction Statistics at the ABS. “The decrease in October was mainly driven by private sector dwellings excluding houses, which fell 1.8 per cent. Private sector houses also declined, by 0.5 per cent.”

Among the states and territories, dwelling approvals fell in October in the Northern Territory (12.5 per cent), South Australia (5.0 per cent), Western Australia (4.4 per cent), Queensland (2.9 per cent) and New South Wales (2.3 per cent) in trend terms. Victoria (2.4 per cent) and the Australian Capital Territory (0.8 per cent) were the only states to record an increase in dwelling approvals in trend terms, while Tasmania was flat.

Approvals for private sector houses fell 0.5 per cent in October in trend terms. Private sector house approvals fell in Western Australia (3.7 per cent), South Australia (2.6 per cent) and Queensland (1.3 per cent). Victoria (0.6 per cent) and New South Wales (0.2 per cent) recorded increases.

In seasonally adjusted terms, total dwellings fell by 1.5 per cent in October, driven by a 4.8 per cent

decrease in private dwellings excluding houses. Private houses rose 2.7 per cent in seasonally adjusted terms.

The value of total building approved fell 1.5 per cent in October, in trend terms, and has fallen for twelve months. The value of residential building fell 1.4 per cent while non-residential building fell 1.8 per cent.

Source: The Australian Bureau of Statistics

Grants open for small business cyber security health checks

The Australian Small Business and Family Enterprise Ombudsman, Kate Carnell welcomed the commencement of the grants process for small businesses to access cyber security testing, under the Cyber Security Small Business Program.

“From now until June 2020, eligible small businesses with 19 or less employees can apply for a grant for a certified cyber security health check to determine business risks and areas that need attention,” Ms Carnell said.

“Depending on the number of devices tested, the maximum grant amount is \$2,100 or up to 50% of eligible project costs. The tests will be carried out by providers approved by the council of Registered Ethical Security Testers Australia New Zealand.

“Cyber criminals are becoming more sophisticated and Australian statistics show more cyber attacks are hitting small businesses.

“It has been estimated that cybercrime costs Australians more than \$1 billion a year.

“Research also shows around one in five small businesses report they have been the target of a cyber attack and over half (56%) either don’t have cyber-crime protection or assume it is covered through their business insurance.

“Small businesses need to understand their anti-virus software only provides a certain level of protection, opening themselves up to loss of data, compromised financial security and identity theft.

“I encourage small businesses to check their eligibility on the [Cyber Security Small Business Program](#) website and apply for a cyber security health check as soon as possible.

“Small business owners need to make sure they are aware of cyber risks and have measures in place to prevent and respond to attacks.

“This includes drawing up an online security plan, ensuring their point-of-sale systems are protected, backing-up their data and implementing robust password practices.

“A good starting point to help busy small business owners understand the risks and how to prevent cyber attacks is our [Cyber Security Best Practice Guide](#).”

Source: Kate Carnell, Australian Small Business and Family Enterprise Ombudsman, Australian Government

POLITICAL WATCH

Information and news from government



» continued

Boost to Keystart a win for WA home buyers

REIWA welcomes the McGowan Government's decision to [extend the Keystart scheme loan amount](#) by \$421 million as a means of improving housing affordability in Western Australia.

REIWA Deputy President Lisa Joyce said the boost to the scheme was a win for WA home buyers and would help more West Australians achieve the dream of home ownership.

"Although housing affordability has improved in WA in the last couple of years, there is still a significant number of West Australians who struggle to save the 20 per cent deposit required by most lenders to purchase a property.

"This boost to the scheme will produce another 1,100 mortgages in WA which will see more West Australians able to own their own home," Ms Joyce said.

In order to apply for a Keystart Home Loan, applicants in the Perth Metro area must be earning under \$90,000 if single, \$115,000 if in a couple or \$135,000 if part of a family.

"Due to recent financial changes to the APRA regulations and the Royal Banking Commission, lending criteria will likely tighten in 2019, making it even more difficult to enter the property market," Ms Joyce said.

"While we are pleased the McGowan Government has agreed to increase the loan amount of the Keystart scheme, there is still more that can be done. The WA market remains a challenging environment for many West Australians and we would

like to see the Government broaden the eligibility criteria by increasing the income limit of Keystart so more people can access these loans."

For more information about REIWA's advocacy efforts, visit the [Advocacy page](#).

Source: *The Real Estate Institute of Western Australia*

Foreign nationals forced to sell \$380 million worth of illegally acquired real estate

The Coalition Government has forced the sale of more than 300 Australian properties, worth in excess of \$380 million, that were illegally acquired by foreign nationals.

This is the result of the Government's commitment to enforcing our rules, since giving the Australian Taxation Office responsibility for residential real estate compliance in 2015, and ensuring that foreign nationals illegally holding Australian real estate are held to account.

In total, 316 properties across every state were sold by foreign nationals in breach of the rules following ATO compliance action, from 2015 to October 31 this year.

The overwhelming majority are in Victoria, which recorded 144 forced sales of property valued in excess of \$162 million, followed by New South Wales with 73 and Queensland with 64.

The foreign owners come from a range of countries including China, the United Kingdom, Malaysia, Singapore, Indonesia, India, the United States, Hong Kong, Italy and Germany.

The largest number of properties and value of divestments in a single year was recorded in 2017-18, with 131 properties worth \$133.9 million sold by foreign nationals who had broken the rules.

In 2016-17, 96 properties valued at \$96.8 million were sold, and in 2015-16, 54 properties valued at \$61.5 million were sold.

Under our Government's enhanced penalty regime the ATO has issued more than 1,500 penalty notices to people who have failed to obtain Foreign Investment Review Board approval before buying property as well as for breaching a condition of previously approved applications.

Ensuring foreign nationals play by the rules is part of the Government's plan for a stronger economy.

Jurisdiction	No. Properties disposed (2015-31 Oct 2018)	Value of Properties (\$m)*
VIC	144	\$162.67
NSW	73	\$131.69
QLD	64	\$36.86
WA	30	\$47.60
SA	3	\$1.78
TAS	1	\$0.10
ACT	1	\$0.35
TOTAL	316	\$381.0

*Value (\$m) is the purchase price value

Source: *The Hon Josh Frydenberg MP, Treasurer of the Commonwealth of Australia*



FIABCI



NEW AUSTRALIAN PRESIDENT FOR INTERNATIONAL REAL ESTATE FEDERATION

International Real Estate Federation (FIABCI) Australia Secretary General and Real Estate Institute of Victoria (REIV) CEO Gil King today announced that Greg Young of Queensland's Young Property Group has been appointed FIABCI Australia President.

Mr King said FIABCI Australia members endorsed Mr Young's appointment at the Annual General Meeting on Wednesday, 21 November 2018.

"Greg brings a wealth of experience to this role, having worked in real estate since 1982," Mr King said.

"As well as heading up several Queensland agencies over the years and calling more than 3,000 auctions, Greg has been an innovative force in the industry, starting up horseproperty.com.au, the largest horse property website in the Southern Hemisphere, in 2014 and farmproperty.com.au, which has 1500 Australian farm property listings, in 2016."

Mr Young said he was honoured to be elected President of the Australian Chapter of the world's leading international real estate organisation.

"FIABCI is not only relevant to real estate agents but for anyone who is associated with real estate such as developers, architects, engineers, valuers and bankers," Mr Young said.

"Being involved in FIABCI gives you a global perspective on the real estate industry; elements of which can be implemented in Australia. Currently FIABCI is working with the United Nations on the UN- Habitat project which has worldwide ramifications.

"My aspiration for my term as President is to raise the profile of FIABCI, especially among young members. I am also passionate about the implementation of UN – Habitat and Urban Monitoring Labs in Australia."

Mr Young thanked outgoing President Samantha Payne for her service and congratulated incoming Vice Presidents John Sexton of Sexton Glover Watts (South Australia), Chris McGregor of First National Real Estate McGregor (Tasmania) and Marnie Hill of Elders Brown and Banks (Tasmania) on their appointments.

REIV President Robyn Waters was the first Australian female to be elected as FIABCI World President in 2014 and is the current Trustee to the International Ethical Standards Coalition.

THE WORLD

Property news from around the world



Housing affordability could worsen in the US in 2019 as interest rates rise

The housing market in the United States is slowing as 2018 comes to an end, but buyers looking for a more affordable home in 2019 might be disappointed, according to the latest real estate analysis.

Next year mortgage rates are likely to continue to rise, putting a pinch on affordability, particularly in already expensive markets, according to the 2019 housing predictions report from Zillow.

It says that some buyers may be pushed back toward the rental market, reversing the recent slowdown in rents and commutes will worsen as the mismatch grows between job creation in urban cores and millennials settling in the suburbs.

The 30 year fixed mortgage will be at 5.8% by the end of the year after rising by about 100 basis points since January 2018, and experts expect mortgage rates to continue to grow steadily through 2019.

The Zillow report points out that this will be the highest rates have been since the last recession, although still below the historic average at times of strong economic growth.

It also forecasts that rent growth will pick back up as potential buyers are turned off by higher mortgage rates. The higher rates will limit what people can afford to pay, and those who are financially

stretched but considering buying a home may decide to continue renting.

And it adds that the recent downturn in rent appreciation will reverse course due to the additional demand on the rental market.

Zillow also suggests that a record number of homes will be lost to natural disasters as the frequency and magnitude of damage from them increases. About 15,000 homes were destroyed by wildfire in California alone in 2018, and many others by storms along the Gulf Coast.

As a result, it is expected that builders and developers will focus on preventative and/or protected building materials and designs.

Overall, home price growth is predicted to continue to slow. Zillow says that prices will grow 3.79% in 2019, according to its survey of more than 100 housing experts and economists. Home values have risen 5.6% since January.

'The central storylines in the US housing market hasn't change much over the past few years, but a series of emerging trends are setting up a much different narrative for 2019,' said Zillow senior economist Aaron Terrazas.

'Certain headwinds, including rising mortgage interest rates, higher rents and stiff competition for housing in the most desirable areas, will only grow stronger over the next year, but that won't necessarily be a bad thing,' he explained.

'A slower moving market is likely to give more buyers a chance to catch their breath and choose from a wider selection of homes that fit their preferences and budgets. We as a nation are increasingly struggling to reconcile the places where we live or want to live with the places where we work, and infrastructure investment has failed to keep up,' he pointed out.

'Going forward, job growth will begin to move beyond the handful of pricey, coastal superstar cities that have driven so much growth to date, and into more affordable communities with room to grow that are eager for the opportunity to shine,' he added.

He concluded that 2019 looks to be a pivotal year as the market cools and transitions from one marked by robust recovery into one more in line with historic norms and more balanced between buyers, sellers and renters.

Source: PropertyWire.com

Annual property price growth slowed in key global locations in the third quarter of 2018

The average prices of residential property across key countries across the world increased by 4.9% in the 12 months to September 2018, with Asia Pacific the strongest region, the latest global index shows.

THE WORLD

Property news from around the world



» *continued*

But it was the lowest annual rate of growth for Knight Frank's global house price index, which covers 57 countries and territories worldwide, for two years. But it has increased by 41% since its low points in the second quarter of 2009.

Hong Kong and Malta top the rankings with prices in both up 15.7% year on year while the United States has registered the slowest rate of year on year growth since the fourth quarter of 2016 at 5.5%.

The next highest growth was a rise of 13.4% in Slovenia, followed by 11.5% in Lithuania, 10.5% in Hungary and Turkey, 9.9% in Mexico, 9.3% in the Netherlands, 8.9% in China and 8.8% in Singapore.

At the other end of the index, prices fell year on year by 3.7% in Saudi Arabia, by 2.9% in Finland, by 1.4% in Sweden, by 0.7% in Israel and the Ukraine, by 0.6% in Australia, by 0.4% in Brazil, and by 0.2% in Italy. Prices were flat in Morocco.

According to Liam Bailey, global head of research, the market in Hong Kong could see price growth slow in the coming months as the Hang Seng Index, which in the past has acted as a lead indicator for the property market, recently slipped 12%. 'Add to this global trade disputes, a strengthening currency and the proposed vacancy tax for developers, we expect price growth to soften in 2019,' he said.

Of the 57 countries tracked, eight recorded annual price declines with Sweden falling into this camp for the first time in six

years. It suggests that low interest rates and strong population growth fuelled price inflation for several years before a surge in the delivery of new apartments and tighter lending rules saw a reversal in price movements. Only two years ago prices were rising at 11% per annum.

Central and Eastern Europe (CEE) is an area of growth, with its countries accounting for three of the top 10 rankings in the third quarter of 2018. CEE economies on average registered a 7.6% price rise, whilst Western Europe recorded an average of 4.3% growth year on year.

Slovenia, Lithuania and Hungary all recorded double-digit price growth in the year to September 2018.

Rising wages and greater access to mortgage finance are pushing prices higher, according to the report.

Mexico is the strongest performer in Latin America with prices up 9.9% on average. Consumer sentiment is rising on the back of a strengthening economy and supply remains constrained.

New Zealand, where a ban on non-residents purchasing existing homes came into force in July, saw annual price growth decline from 6.6% to 4.9% over the three months from June to September. High rates of net migration combined with limited new supply is expected to halt a slide into negative territory, the report says.

The US registered its slowest rate of

annual growth since the final quarter of 2016. Higher mortgage rates on the back of eight rate rises since late 2015 has led to affordability constraints. Sales of existing homes have fallen 9.3% while housing starts have declined 8.7% since November 2017.

Source: PropertyWire.com

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