REIANEWS

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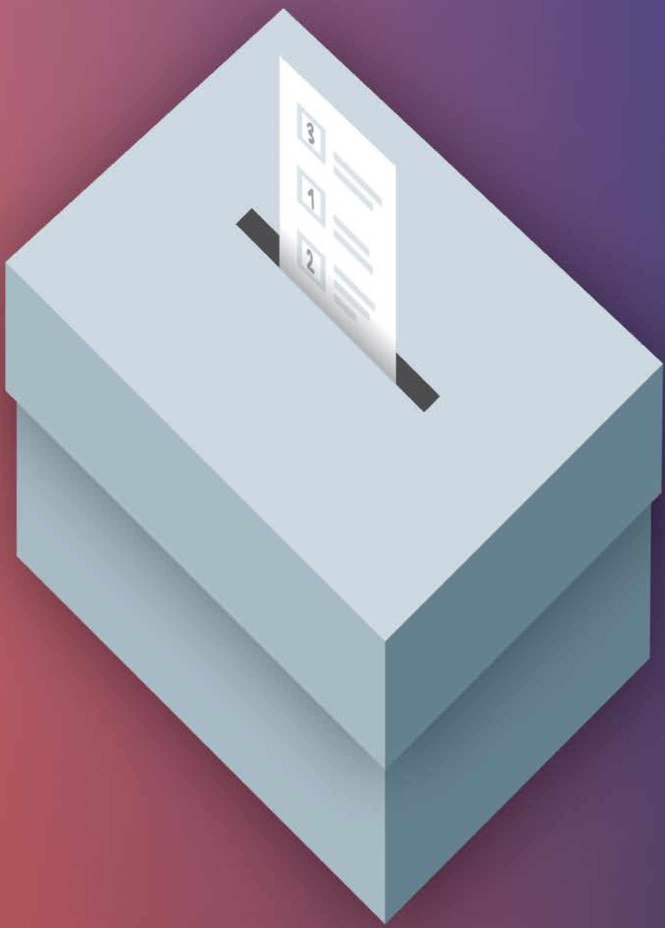

FEDERAL ELECTION 2019

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Mr Adrian Kelly
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S PRESIDENT

Welcome to the May edition of REIA News.

Coming on the heels of the 2019 Federal Election this month's REIA News features an article on REIA's campaign during the election.

This month's edition also contains articles for foreign investors in Australian real estate and the Australian Women's Leadership Symposiums .

Mr Adrian Kelly
REIA PRESIDENT

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FEDERAL ELECTION 2019

This article is brought to you by REIA President Mr Adrian Kelly

Last month I wrote to you about the upcoming 2019 Election and the approach REIA was going to take to dispel the myths surrounding negative gearing and pointing out the potential economic impacts of changes to negative gearing arrangements.

At the time I surmised that housing affordability and taxation arrangements for housing were going to be key issues in the upcoming Federal election campaign. That certainly was the case. Not a single day went by without coverage in the media and parliamentarians on both sides of Parliament debating the issue. The high and consistent level of media coverage, including front page, together with the commentary and debate beneath the REIA's daily posts confirmed the importance of the issue of property taxation as a major election issue

I outlined the social media campaign that REIA was going to take of daily postings of short videos on Facebook, Twitter and Instagram and wrote that in a similar campaign in 2016 we reached an average audience of 120k per week achieving a total reach of almost 1 million people.

Without doubt, millions of Australians were unaware of the proposal to restrict negative gearing and to double capital gains tax before the election was called, or what the impacts of such a change could mean for the economy.

At the end of the campaign the 2016 figures were shaded by those for 2019. The response has been excellent with a reach of nearly 11 million or over 2 million per week of the campaign.

REIA was greatly assisted by its state based member Real Estate Institutes and a number of franchise groups in sharing REIA's message through their networks and agency databases which was instrumental in achieving the results.

Whilst it is impossible to be definitive on the impact of the campaign it is clear our campaign played an influential role in the election outcome. With only 80% of all votes counted at the time of writing, there is a clear correlation between marginal electorates with high numbers of investment property owners and a higher swing towards the Government than the national average.

The media have been running commentary about the role that REIA's campaign played with some even suggesting that it was inappropriate for us to do so and that we were merely serving our own vested interests.

To dismiss REIA's position as one of vested interest is unfair. As a profession we are interested in a strong economy. The property sector is an integral component of a strong economy. All Australian have a vested interest in a robust economy. Our messaging was based on independent analysis and to construe that the real estate profession suffers from falling house prices or higher rents is misguided, it is homeowners and renters that shoulder hose consequences.

The REIA was, and continues to be, opposed to the policy but we are a political body that does not endorse political parties nor oppose political parties. We have a duty to champion our policies which we will continue to do.

AUSTRALIAN TAXATION OFFICE

FACT SHEETS FOR FOREIGN INVESTORS OF AUSTRALIAN RESIDENTIAL REAL ESTATE

We have recently published two fact sheets to help foreign owners and investors of Australian residential real estate meet their foreign investment obligations in Australia.

The *Vacancy fee return: fact sheet for foreign owners* is available in English, Chinese traditional and Chinese simplified.

The *Residential property investment: fact sheet for foreign owners* is also available in English, Chinese traditional and Chinese simplified.

The fact sheets detail important steps foreign persons must take when they own, invest or are planning to invest in Australian residential real estate, including:

- getting Foreign Investment Review Board (FIRB) approval before investing
- recording property on the ATO Land and water register
- lodging an annual Vacancy fee return.

The Australian Government introduced the annual Vacancy fee in December 2017 as part of the comprehensive housing affordability plan. It requires foreign owners of residential dwellings in Australia to lodge an annual Vacancy fee return if they:

- made a foreign investment application for residential property after 7.30pm AEST on 9 May 2017, or
- purchased under a New Dwelling Exemption Certificate that a developer applied for after 7:30pm AEST on 9 May 2017.

Vacancy fee returns must be lodged within 30 days of the end of each vacancy year. The vacancy year is usually the 12 month period from the anniversary of the settlement date.

The vacancy year is unique to each dwelling held by a foreign owner. Foreign owners must lodge a Vacancy fee return for each dwelling on their land.

MORE INFORMATION

For more information about the Vacancy fee, visit the ATO website at ato.gov.au/vacancyfee or watch the live webinar recording from September on atoTV.

You can also find more information about investing in Australian residential real estate in the *Residential property investment: fact sheet for foreign owners*. The fact sheet is available in English, Chinese traditional and Chinese simplified.

Have your glass windows ever been broken?

As a real estate agent, running your own agency can be an exciting and rewarding experience, however it's important to consider the risks that come with it.

Ask yourself:

- Have you ever lost or damaged your work phone or laptop?
- Have you ever had water damage to your premises?
- Has a client ever injured themselves at your business premises?

Accidents and mistakes can happen, so it's helpful to have business insurance cover in place to help foot the bill, so you can continue to run your business and reduce financial loss.

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PROTECTING YOUR AGENCY AGAINST THE THREAT OF CYBER RISK

We've seen the movies, we've read the headlines … We know that hackers are having their moment. And they're damaging businesses across the globe every day.

But if you've been led to believe that it's only multinational organisations or billion-dollar magnates who are at risk, you can think again. Let's take a look at some real-life statistics:

60% of small businesses failing to recover from a significant breach[1]

43% of cyber-attacks are targeted at smaller businesses[2]

And customers are taking notice. In fact, Unisys Security Index[3] – Australia revealed that 85% of Australians would stop dealing with an organisation if their data was breached.

Now let's be clear – a cyber incident does not need to involve complex hacking. It can be as simple as having your phone stolen, attaching the wrong file to an email, or clicking on a virus link in an email. An incident can result in thousands of dollars in remediation costs, reputational damage, regulator fines, legal fees from customers or employee court cases and a host more potential damages.

You might be wondering – how important is this for a real estate business? The answer? Very. You know as well as anyone else the level of sensitive information you hold, but unfortunately, the industry has lacked robust security systems, which has meant real estate agents have been prime targets for cybercrime. Real estate agents also have a large quantity of funds that are turned over regularly – a goldmine for criminals – with the added risk of regular mobile phone use. What's more, real estate agents are particularly vulnerable to ransomware attacks, where a criminal will take control of your computer and demand payment in exchange for a return to service. Not only is this costly, but also problematic – as hackers rarely hold up their end of the deal.

It goes without saying that the consequences of cybercrimes can be devastating. And with the introduction of Mandatory Breach Reporting in February 2018, now more than ever, it's critical you understand your cyber exposures and how you can reduce the impact of an attack.

So, What Can you Do?

There are a range of preventative measures you can put into place to begin protecting yourself and your agency against cybercrime. Some of these include:

- Installing best-in-class anti-virus software
- Ensuring you update your operating systems and patches
- Always adhere to recommended guidelines for passwords, and update these regularly
- Hold educational sessions with your employees, so they are cyber aware and are taking appropriate precautions with their hardware and your data

Insuring Against Cybercrime

It's important to put in place prevention strategies, however it's quite difficult to eliminate your cyber risk altogether. This is where insurance can play an invaluable role in helping to protect your business against the impacts of cybercrime.

With Aon's Cyber Insurance, you'll be covered against the expense and legal costs associated with data breaches. Depending on the level of cover you select, your insurance can protect you against:

- Restoration of data costs
- Forensic investigation costs
- Cyber-extortion costs
- Electronic funds transfer fraud
- Fines and penalties
- Damage to third party systems
- Claims arising from security failures
- Public relation costs
- Defamation
- Identify theft management
- Privacy and intellectual property claims

We're Here to Help

If you would like to find out more or would like to discuss your Cyber Insurance needs, please call Aon's Real Estate team on 1300 734 274 or email au.realestate@aon.com

1 http://mastersinlaw.champlain.edu/internet-privacy-in-the-digital-age/

2 https://www.symantec.com/content/dam/symantec/docs/infographics/istr-attackers-strike-large-business-en.pdf

3 https://www.unisys.com/unisys-security-index/australia

Australasian Real Estate Institutes'

Auctioneering Championships 2019

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FEDERATION SQUARE

Further details coming soon.

REIA
REAL ESTATE INSTITUTE OF AUSTRALIA

REINZ | REAL ESTATE INSTITUTE OF NEW ZEALAND

Australasian Auctioneering SCHOOLS CHAMPIONSHIP

WORKPLACE GENDER EQUALITY AGENCY (WGEA) REPORTING

Australian Government | Workplace Gender Equality Agency

WGEA reporting finishes soon. The *Workplace Gender Equality Act 2012* requires non-public sector employers with 100 or more employees to submit a report to the Workplace Gender Equality Agency (WGEA) between 1 April and 31 May each year for the preceding 12-month period (1 April-31 March each year). Here are three things you should consider doing now:

Reporting checklist

- Start preparing your information now. Early preparation and submission will mean faster access and response times to the portal
- Ensure you have a current AUSkey to log into the portal. If you are not sure, go to the WGEA website and click on the 'Portal Login' at the top right-hand corner of the screen
- If there is a problem with your AUSKey scroll down the page to the 'Further AUSkey issues' section of the AUSkey page on the WGEA website for answers to common issues
- Download the Workplace profile worksheets and the Indicative format of the workplace profile and reporting questionnaire from the WGEA website. For ease, WGEA encourages employers to use the 'unit level template' when preparing their workplace profile, as the online system will automatically aggregate the data.

Refreshed reporting resources for 2019 can be found on the WGEA website to assist organisations through this process.

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.

MAKING NEWS

General national news

REIWA CEO Neville Pozzi and staff celebrate the arrival of Japan's new imperial era 'Reiwa' at its headquarters in Subiaco, Perth.

REIWA celebrates Japan's new imperial era

The Real Estate Institute of Western Australia has joined in celebrations for Japan's new imperial era, coincidentally called 'Reiwa', by decorating its headquarters in Perth with the Japanese national colours, hosting a Japanese themed morning tea and doing a social media takeover.

REIWA CEO Neville Pozzi said the international attention the Institute had received since the announcement was unprecedented and deserved to be celebrated.

"REIWA has been around for more than 100 years and it's not every day we witness this kind of viral attention. We're pleased to share the name with Japan's new imperial era and wanted to commemorate the occasion with our staff and social media followers," Mr Pozzi said.

After the new era's name choice was announced on 1 April 2019 (originally confused for an April Fools' joke), the Institute received a surge in traffic on reiwa.com, with 70 per cent of its traffic coming from Japan.

REIWA also experienced a dramatic increase in interaction on its social media channels following the announcement. That morning, there were already 132,000 tweets about 'Reiwa' with that number expected to grow as the day continues.

"With any luck, the spike in interest from our Japanese friends will help boost foreign investment in Western Australia and assist our local property market in its recovery," Mr Pozzi said.

Today's new Japanese era signals the end of a 30-year run of the Heisei ("achieving peace") era, which began in 1989. The name 'Reiwa' is taken from an old existing compilation of Japanese poetry and represents fortune, peace and harmony.

Source: The Real Estate Institute of Western Australia

MAKING NEWS

General national news

REIV to help vendors choose a member

The Real Estate Institute of Victoria has launched a new tool to help people find the right real estate agent.

Objectivity is at the centre of a new online search tool from the Real Estate Institute of Victoria.

Launched on 20 May, Choose a Member is designed to help vendors find the right agent to sell, lease or manage their residential or commercial property.

The resource provides the user with the number of sales, date of most recent result, link to agency profile and link to recent results of Victorian REIV member agencies.

At a glance:

- The Real Estate Institute of Victoria launched its Choose a Member search tool on Monday, May 20.
- The resource provides information on the number of sales and the most recent results of REIV members.
- According to the REIV, it is the first of its kind on the Victorian market not to be influenced by referral fees, priority listings or other incentives to rank one agent over another.

According to REIV, its members make up 80 per cent of agencies in the state.

REIV President Robyn Waters said, “There is no way to manipulate the order that agents and agencies are presented.”

“You can even tailor your search to find the best professional with experiences matched to your needs: for example, you can see who has the best record on selling three-bedroom houses in your suburb.”

“The REIV understands that real estate transactions are usually the most significant that we make in our lives, which is why we focus on developing and supporting real estate professionals who can help make these decisions easier for you.”

The launch of the Choose A Member coincides with an awareness campaign comprising print, billboard and online advertising.

Ms Waters said the REIV made sure its members were well equipped with the right knowledge, resources and tools and to give professional advice and service.

“When you choose an REIV Member, you choose a professional who has completed the required training, is committed to ongoing professional development, is covered by professional indemnity insurance and is required to follow REIV guidelines to always act ethically, honestly and fairly,” she said.

Source: The Real Estate Institute of Victoria

INDUSTRY UPDATE

Industry news from around Australia

Morrison Government election victory a win for housing market

REIWA congratulates Scott Morrison and the Liberal National Party (LNP) on being re-elected to Government in the 2019 federal election.

REIWA President Damian Collins said the LNP's victory meant there would be no change to national property taxes, like negative gearing and capital gains tax, which was a big win for the Australian housing market and would go a long way towards helping the WA market recover.

"We are delighted there will be no changes to national property taxes. Meddling with one component of a broader tax system is reckless and would have had significant consequences for the Australian housing market.

"This outcome will provide much needed stability for the WA property market. We are looking forward to working with our local federal members of parliament and senators on ensuring good housing and investment outcomes for all West Australians," Mr Collins said.

Recently, the Prime Minister announced his party's plans to make the Australian property market more accessible to first home buyers by offering loan guarantees so eligible buyers could purchase their first home with a five per cent deposit.

"The Morrison Government should be applauded for this initiative. This is a great example of smart, effective bi-partisan housing policy that will help some first home buyers without negatively affecting other groups. We hope to see the scheme expanded in the future," Mr Collins said.

In the lead up to the election, REIWA's 'What about WA?' campaign called on federal political parties to not forget about Western Australia when making policy commitments.

"For too long we've seen WA overly relied upon when times are good and ignored when we are doing it tough. It's time we got our fair share of federal funding and support. In particular, we'd like to see the Morrison Government introduce federal incentives to help states and territories phase out stamp duty," Mr Collins said.

Last month, REIWA had the opportunity to quiz the Prime Minister at an election campaign event about his party's plans to help the WA property market. His response was that WA had already been given a greater share of Australia's GST revenue and these additional funds should be used to look into how to abolish stamp duty and reinvigorate our local market.

"The WA property market is crying out for some definitive leadership to help aid recovery and improve our local economy. Regardless of whether the responsibility for this change comes at a state or federal level, we need action now," Mr Collins said.

"In addition, REIWA would like to see Perth put back on the Regional Migration Scheme to help attract skilled workers to WA and fill the current oversupply of housing, and we want a minimum 15 per cent infrastructure budget implemented, based on WA's substantial contribution to Australia's GSP. We also need the new Minister for Cities to have a Perth City Deal as a top priority."

"REIWA will continue to champion the issues affecting WA to ensure our state is not forgotten about when national policies are implemented."

Source: The Real Estate Institute of Western Australia

Innovation versus legislation

Greater collaboration between legislators, innovators and real estate is required to create a transparent regulatory framework that both protects consumers and helps the industry embrace new efficiencies through technology.

That was one of the key lessons from the second Future of Proptech lunch held by the REINSW on 30 April 2019, where it was revealed real estate agents may carry a legal risk when they adopt some of the more disruptive technologies.

On the panel was Sarah Bell from AIRE, which delivers AI to the residential real estate industry; Thom Richards from property management software app Managed, which negates the need for trust accounting; and Justin Butterworth from leasing platform Snug. Representing NSW Fair Trading was Bjorn Borg, while Lisa Indge from Let's Rent provided the real estate agents› view.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

Key revelations that came out of the panel discussion included:

- Advice from NSW Fair Trading that legislative change typically takes five years, while regulatory changes can take two to three.
- The lack of engagement and accessibility of regulators risks stifling innovation and preventing Australian proptech disruptors from being internationally competitive.
- Proptech innovators may be best taking a 'forgiveness not permission' approach rather than waiting for government. Accordingly, they should structure the risks and costs of educating the market.

Exponential innovation testing regressive regulation

The audience was told that more than US$20 billion is expected to be invested in proptech globally in 2019, representing growth of over 9000 per cent since 2012. Internationally, the growth of proptech is occurring faster and with greater momentum than fintech.

Unlike fintech however, which is regulated in Australia by national legislation through ASIC, proptech must contend with different legislation across each state, providing additional challenges for local startups.

This was occurring at a time when dissatisfaction with real estate agents and the disjointed and fraught process of buying, selling and renting property was growing.

"When you pick up your phone to use Uber, Airbnb or Uber Eats, the process is instantaneous," said panel moderator Kylie Davis. "But when you try to buy a house or rent, it's like 1984 called and they want their process back, and suddenly you're back to handling paper and waiting for phone calls to be returned.

"The legislation we have at the moment, while looking to protect consumers, is failing to deliver good service experiences, while the agents who do want to adopt these technologies are between a rock and a hard place."

The panel heard that overseas governments were starting to collaborate with innovators to create a new approach to legislation that sets out frameworks to guide desired behaviour.

"It's the role of technology and innovation to push the boundaries, while legislation has typically reacted," said Bell. "Legislation needs to come in at the design stage – at concept. The European Union has published guidelines for the ethical development of AI, and I don't think they're unreasonable. They embrace the hope that exists with new technology, and I think they're the best practice guidelines in development that all governments should be adopting."

At risk of being left behind

The speed of innovation means governments that want to create reactive legislation are being left behind.

"Since the Second World War, we've been running on Moore's Theory that the speed of innovation would double every two years," Bell said. "But you apply the connectivity of AI with network theory, which is just enabling the way that we're using technology, and the result is exponentially speeded-up change. It's impossible to leave it to reaction now."

But Director of NSW Fair Trading, Bjorn Borg, said it is not the role of regulators to *approve* or endorse new technology, but to protect consumers and make sure there is legal redress when things go wrong.

He conceded regulators need to improve their engagement with innovators, but said innovators could help regulators get up to speed more quickly by identifying the changes needed to be made that accommodated multiple market players, not just themselves.

"We need as much background as possible, not just on what the product does, but the problem it is solving and any international trends that show how it is playing out in other jurisdictions and economies," he said. "Without that clarity, regulators are going out there trying to find that out for ourselves, but we're not the experts in this particular field. That's where you then get even longer delays."

Justin Butterworth from Snug said the current approach from regulators was stifling innovation and making Australian technology uncompetitive internationally.

"Here we are, two years down the track in my space of digital bonds without having effective conversation, without bringing about innovation to the market, without having learned the insights from consumers and regulators, and we'd like to see that change," he said.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

"Just two weeks ago, the other startup in this space internationally raised $40 million at a $300 million plus valuation because they have not faced the same restraints. It's not acceptable to be two years down the track with the inability to meet and discuss progress innovation in this country."

Taking the right steps forward

The panel identified that adopting new technology did not have to be an 'either/or' proposition, but could be done incrementally. For example, by identifying a small group of existing clients that you could receive informed consent from to trial new technology.

"We'd love to see a framework which is around process and timeliness for engaging with regulators, so it's clear on what basis consumer choice and consumer protection will be measured," said Butterworth.

"We need to create a safe harbour for the innovators in the industry to test and learn. We don't have to make a fully-committed long-term decision, but hey, why don't we try [this] in Sydney, with REI's chief members who are best-practice experts by saying, 'Hey, let's put digital bonds into Lisa [Indge]'s portfolio and see how they perform.'"

Indge said her office had made the decision to use digital signatures on leases, despite the grey area which meant only physically witnessed signatures were compliant.

"The advantages and convenience of the technology were so evident, that we made the decision to go ahead," she said.

"But we did it in a structured way. We only used it with existing tenants that we already had a relationship with and who were good quality tenants. And we had the permission of the landlord and the tenants. Happily it worked out."

Let's Rent has also been an early adopter of Managed, a property management platform that does not require a trust account. In NSW, the legislation only requires a trust account to be in place if an agent is holding monies in trust. As Managed sends funds directly from tenant to landlord, it circumvents the need for a trust.

"The legislation isn't against us in the way we work – so for us, it's not so much a regulatory challenge but an education challenge," said Richards. "My major issue with a lot of the states is they've all got different regulatory bodies. I've got to go and educate each state, which then has to educate their agencies that work for them.

"For me, it's more about support around education and helping people understand what's best for their business, as opposed to us trying to change legislation, because we're now compliant in every state, and we've had the legal advice to suit."

Same rules for all

Borg said that while legislation typically takes five years to implement, it has advantages because it delivers stability and market certainty, but the statement was met by a horrified gasp from the room.

"A five-year turnaround is completely impractical with the speed of innovation," said Bell. "You're suggesting that if you drive innovation in this country, if you drive employment and progress and all of those amplified economic benefits, then you will be punished by the regulator. So, it is not a workable way forward."

She said government also needs to accept it is being disrupted and look to how technology can create better legislative outcomes.

"One of the principles of good programming and good product development is that we need to be incredibly transparent. There is no reason why that principle of transparency shouldn't be a burden that is imposed upon regulators as well," Bell continued.

"It's impossible to go to a regulator with a proposition for a sense check if there's no transparency or models or framework around what makes sense to regulators."

Borg said one of the takeaways he had from the day was the need for the department to engage more closely with innovators and the industry.

Wrapping up the day, REINSW CEO, Tim McKibbin, said proptech offered the opportunity to enrich the services delivered by the property services industry.

Source: The Real Estate Institute of New South Wales

POLITICAL WATCH

Information and news from government

Dwelling approvals fall in March

The number of dwellings approved in Australia fell by 0.6 per cent in March 2019, in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

"The overall decrease was driven by private sector houses, which declined 1.4 per cent in trend terms," said Justin Lokhorst, Director of Construction Statistics at the ABS. "However, private dwellings excluding houses rose by 0.8 per cent".

Among the states and territories, total dwelling approvals fell in Victoria (3.5 per cent) and Queensland (1.4 per cent) in trend terms. Increases were recorded in the Australian Capital Territory (4.8 per cent), the Northern Territory (3.9 per cent), Western Australia (3.8 per cent), New South Wales (0.8 per cent) and South Australia (0.4 per cent). Tasmania was flat.

Approvals for private sector houses fell 1.4 per cent nationally in trend terms. Declines were recorded in the three largest states: New South Wales (3.4 per cent), Victoria (1.8 per cent) and Queensland (0.9 per cent), while increases were recorded in Western Australia (1.0 per cent) and South Australia (0.9 per cent).

In seasonally adjusted terms, total dwellings declined by 15.5 per cent in March, largely driven by falls in New South Wales (27.4 per cent) and Victoria (27.0 per cent). The decline was led by private dwellings excluding houses which fell 30.6 per cent, while private house approvals decreased 3.2 per cent.

The value of total building approved was flat in March, in trend terms. The value of residential building rose 0.4 per cent, while non-residential building fell 0.6 per cent.

Source: The Australian Bureau of Statistics

Lending to households falls 3.7 per cent

The value of new lending commitments to households fell 3.7 per cent in March 2019, seasonally adjusted, according to the latest Australian Bureau of Statistics (ABS) figures on new lending to households and businesses.

The fall in lending to households in March follows a 2.2 per cent rise in February 2019.

ABS Chief Economist, Bruce Hockman said: "All components of new lending to households were weaker in March, more than offsetting a bounce in lending activity seen in February."

"There were large falls in the value of lending for owner occupier dwellings in seasonally adjusted terms in both New South Wales (-5.7 per cent) and Queensland (-5.3 per cent) in March, after rises in both states the previous month" he said.

Nationally, lending for investment dwellings also contracted further in March, with the series down 25.9 per cent (seasonally adjusted) compared to March 2018. The level of new lending for investment dwellings is at its lowest level since March 2011.

While nationally there was a fall in the number of loans to owner occupier first home buyers (-0.5 per cent) in March, in a similar pattern to recent months this fall was again much less than the drop in the number of loans to owner occupier non-first home buyers (-3.3 per cent).

After rises in January and February, lending to households for personal finance excluding refinancing fell 11.2 per cent in March, seasonally adjusted.

In trend terms, the value of new lending commitments to businesses fell 2.0 per cent in March. All components of business lending remained subdued.

Source: The Australian Bureau of Statistics

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OVERVIEW

Artificial intelligence. Big Data. BIM Technology. Blockchain. These buzzwords are all the rage as we march towards a global technological disruption known as the fourth industrial revolution, promising increased transparency and the exchange of value between parties in a trusted way. With the inevitable advancements in technology we're facing, the smart future is now and the real estate industry is not exempt from it. The best way to deal with this fact is to better understand what impact digital technologies will have on the sector and how to reap maximum benefits by embracing the momentum.

It is under this premise that the anniversary edition of the 70th World Real Estate Congress – part of FIABCI's annual fixture – will take place, from May 27 to 31, 2019 in Moscow, Russia. From developers to architects, managers to brokers, professionals from all backgrounds related to the property industry will gather at the World Trade Center to discuss the theme of the 2019 edition, "Digital Era of Real Estate".

There is a myriad of options for those looking to get their hands on these new and valued tools that technology brings to the table, while engaging with the industry's finest to share best practices and conduct business. Through panel discussions, B2B meetings, workshops, project visits, among others, participants will have the opportunity to grasp the profile of the millennial homebuyer, stay up-to-date with the latest news in event marketing, see firsthand the innovations in building materials and construction equipment, and discover the power of virtual reality technology.

As for the topic of urban development, UN-Habitat, one of our Global Partners, will play an important role in evaluating the progress achieved over the past year, as well as in developing forecasts for 2019. Additionally, there will be several presentations on the current programs taking place across all regions of the world, particularly on the promise of technological advances.

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THE WORLD

Property news from around the world

Over half of under 35s stay with parents due to financial struggle to save a deposit

More than half of people under the age of 35 still live with their parents as they struggle to get onto the property ladder, new research has suggested.

Overall, some 58% of 18 to 34 year olds are in their parents' home while in London this rises to 74% as they struggle to save a deposit to buy their own property, according to the research from online mortgage broker Trussle.

However, the North East of England is the area with the highest number of grown-up children still living at home with the figure reaching 81%. Yorkshire and Humber has the fewest with just 22% of under 35s still living with their parents.

Half of those living with their parents are doing so to save for a house deposit and 36% admit they simply can't afford to live alone but it is a stressful process. The research found that 59% say saving for a home causes some kind of anxiety.

Meanwhile, in a bid to support their children's saving ambitions, almost half, some 48%, of parents said they would rather their grown-up children live at home than rent, so they can save money for a deposit.

What's more, 23% aren't charging their grown-up children rent, to ensure they can save as much as possible and eventually get onto the property ladder. Instead, they rely on them to help around the house.

'The fact that so many young people can't afford to move out of their parents' homes in fear of not being able to get onto the property ladder is alarming. Too many of them are forced to put their lives on hold in a bid to get onto the property ladder,' said Ishaan Malhi, Trussle chief executive officer.

'Getting a mortgage is often one of the biggest financial and emotional commitments a person will make in their lives and ensuring the industry is supporting young people as they take this step is crucial,' Malhi added.

Source: PropertyWire.com

Property markets in Florence see prices rise as Tuscany continues to be popular

The prime property market in Tuscany in Italy has stabilised following a decline in peak to trough terms of 40% with properties in Florence and Lucca up 1% in 2018, the latest research shows.

Tuscany is one of the most popular parts of Italy with overseas buyers and almost 100,000 foreign residents now living in Florence, Lucca and Pisa and the number is expected to increase, according to the Tuscany Insight report from international real estate firm Knight Frank.

Florence recorded the largest increase of the three cities between 2012 and 2018, with the number of overseas residents rising by 38.5% and Tuscany is responsible for 62% of Knight Frank's applicant numbers for Italy.

The report reveals that enquiries for properties in the €10 million plus sector has strengthened due to a new €100,000 flat tax, with many wealth families purchasing more than one property in Italy. Most buyers come from the Middle East, the United States, the UK, Benelux countries and India.

'International enquiries rather than domestic demand is behind the recent resurgence. Buyers pay little attention to the political and economic landscape focussing instead on the unrivalled lifestyle on offer. For Italy, banking and governmental crises are nothing new,' said Amy Redfern-Woods of Knight Frank's Italian desk.

Under the tax rules introduced in 2017 individuals who take up Italian residency benefit from a flat tax on all global income of €100,000. In addition, eligible family members benefit from a flat tax of €25,000.

'Linked to this, we have seen a detachment of the super-prime market over the last year with enquiries for properties €10 million or above strengthening. Some of these high net worth individuals already own an Italian home and following the advice of their family office, are keen to expand their footprint in the country, often seeking multiple homes across a range of locations, city, coastal or in the Alps,' Redfern-Woods explained.

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THE WORLD

Property news from around the world

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While most overseas buyers are looking to acquire a holiday home, an increasing number are seeking a permanent base. Almost 100,000 foreign residents now live in Florence, Lucca and Pisa according to Italy's Statistics Office Istat.

'The one trend that stands out this year is that our applicants are time poor and it influences their search in several ways. Firstly, most want a renovated project, not one that requires any work. Secondly, buyers want to be within an hour of an airport enabling them to make use of the property four or five times a year for mini-breaks and minimise travel, the days of visiting for a whole month in the summer are largely gone,' said Redfern-Woods.

Finally, most intend to own their home for upwards of five years, often renting it out to cover costs, so a low maintenance property is preferred. Buyers continue to seek value and with prices in Lucca 20% to 25% lower than in Florence the city is firmly in the spotlight. Lucca is also easily accessible via Pisa Airport, it is located within a 30 minute drive of the Mediterranean,' she added.

Source: PropertyWire.com

Asking prices down by 0.2% year on year in the UK

Asking prices in the UK are 0.2% below where they were in May 2018 and supply is down by 9%, according to the latest national index.

Seasonal factors lifted the average home price in England and Wales by 0.5%, but low numbers of market participants have undermined this, say the report from Home.co.uk.

It adds that month on month while prices rose in Wales, Scotland and all English regions, this was driven by hope rather than demand and the total stock for sale has increased by a mere 1.7% year on year.

London's annualised losses have moved back slightly from 3.1% to 2.9% and now total 6.7% since the start of the price decline in May 2016. Asking price falls in the South East continued to ease to 1.5% year on year but worsened in the East to 3%.

The figures also show that an increasing number of vendors have withdrawn from the sales market altogether, with numbers up 6.5% year on year. The only regional supply increases were recorded in the East and West Midlands, both up 3%.

To put it in perspective, the report points out that annual growth was 1.1% a year ago and the stalled market is likely to be unchanged.

Typical time on the market figures show that the worst regional slowdowns are in Greater London, up 23%, the East of England up 25%, the South West up 20% and the South East also up 20% year on year.

Indeed the typical time on the market is currently 89 days in England and Wales, 11 days longer than in May 2018, making it the slowest May since 2014.

London is the worst affected by this crisis of confidence, brought on by Brexit uncertainty, where lack of demand means the typical time on the market for unsold property has soared by 23% and it is now the slowest in the London housing market for 10 years.

At the same time, vendors' reluctance to commit has meant that supply has dropped 28% year on year. The report says that market pessimism is widespread and Brexit uncertainty, combined with the post-boom malaise, continues to hamper property sales.

'A wait and see attitude is stifling both supply and demand. So far, these exceptional strains on the market have had little net effect on the established pricing trends but home values appear to be levitating, based more on aspiration than any real underlying market fundamentals,' the report points out.

'Spring optimism has managed to lift prices in all the English regions, Wales and Scotland, although this appears to be driven by wishful thinking on the part of a reduced number of vendors rather than by demand, as properties spend longer and longer on the market,' it adds.

Source: PropertyWire.com

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