

REIANEWS

ISSUE 92: SEPTEMBER – OCTOBER 2019

AUSTRALASIAN
REAL ESTATE
INSTITUTES'
AUCTIONEERING
CHAMPIONSHIPS
2019



IN THIS ISSUE

AUCTIONEERING AWARD
FOR EXCELLENCE FOR
OUTSTANDING SERVICE

HIGHLIGHTS OF AUSTRALASIAN
REAL ESTATE INSTITUTES'
AUCTIONEERING
CHAMPIONSHIPS 2019

MARKET SNAPSHOT

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PRESIDENT'S REPORT

Mr Adrian Kelly
REIA President



WELCOME FROM REIA'S PRESIDENT

Welcome to the October edition of REIA News.

This month we feature coverage of the Australasian Auctioneering Championships held in Melbourne on 22 to 24 October. The event showcases the best talent auctioneering currently has to offer. The standard has lifted to another level again this year and I don't think there has ever been a harder contest.

Congratulations go to Justin Nickerson of Queensland who took out the title of the 2019 Australasian Real Estate Institutes' Auctioneering Champion. After Andrew North of

New Zealand winning the title last year, Justin's third win has equalled the record of New Zealand's Mark Sumich for the number of titles.

A highlight of this year was to have a female finalist for the very first time in Jenna Dunley from the ACT.

The REIA looks forward to next year when the Championships will be held in Sydney.

This month there is an article from the ATO on the taxation treatment of rental property travel expenses.

I hope you enjoy reading this month's edition.

Mr Adrian Kelly
REIA PRESIDENT



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AUSTRALASIAN REAL ESTATE INSTITUTES' AUCTIONEERING CHAMPIONSHIPS 2019



Justin Nickerson wins auctioneering silverware for third time

Congratulations goes to Justin Nickerson of Queensland who took out the title of the 2019 Australasian Real Estate Institutes' Auctioneering Champion.

Real Estate Institute of Australia (REIA) President Adrian Kelly said the event saw fierce competition with one of the most highly acclaimed auctioneers in the history of the championships stepping up to claim victory.

"Justin went back to back in 2016 and 2017 and his win in 2019 has equalled the record of New Zealand's Mark Sumich for the most amount of titles.

"He is also a four-time winner of the REIQ Auctioneer of the Year award and his understanding of the auction process give him the upper hand," Mr Kelly said.

Mr Nickerson was announced as the title holder at the REIV Awards for Excellence dinner held in the

Palladium Ballroom, Crown Towers Melbourne last night, after a tight contest between five outstanding auctioneers: Jenna Dunley, ACT, Victoria's Luke Banitsiotis and Leon Axford and Clarence White from New South Wales.

"The standard of the finalists was exceptionally high and the competition was very close. It is especially pleasing to see our event grow stronger each year and the diversity of talent Australasia has to offer.

"A highlight of this year was to have a female finalist in Jenna Dunley from the ACT for the very first time."

The 2019 Australasian Auctioneering Championships, hosted by the Real Estate Institute of Victoria (REIV) and Real Estate Institute of Tasmania (REIV), test an auctioneer's skill and ability to command a crowd, manage any issues at the auction and call complex bidding offers.

Judges decided on a winner after the five finalists were briefed and auctioned a property in St Kilda to mock-sell under the hammer.

"We have seen the cream of the auctioneering crop in action in Melbourne, it was very exciting and highly entertaining," Mr Kelly said.

Open to the public, the annual Australasian Real Estate Institutes' Auctioneering Championships hosted 22 auctions over two days.

The Australasian Real Estate Institutes' Auctioneering Championships provide a significant opportunity for the Real Estate Institute of Australia (REIA) and the Real Estate Institute of New Zealand (REINZ) to showcase their very best Auctioneers.

The Real Estate Institute of New South Wales (REINSW) will host the Championships in Sydney in October 2020.

2019 Australasian Real Estate Institutes' Auctioneering Championships: Highlights



- 1 *Justin Nickerson, QLD, Winner of the 2019 Australasian Real Estate Institutes' Auctioneering Championships*
- 2 *Jenna Dunley, Finalist ACT – First ever female finalist*
- 3 *L to R: Robyn Waters, Chris McGregor – REIA Board Director (TAS) and Diane Davis – REIA Board Director (NT)*
- 4 *Luke Banitsiotis, Finalist VIC*

» *article continues*

2019 Australasian Real Estate Institutes' Auctioneering Championships: Highlights

» *continued*



- 1 Leon Axford, Finalist NSW
- 2 Clarence White, Finalist NSW
- 3 Venue: Deakin Edge, Federation Square, Melbourne
- 4 The Judging Panel for the 2019 Australasian Real Estate Institutes' Auctioneering Championships. L to R: Adam Docking – Chief Judge, Wally Boydell – QLD, Andrew South – NT, David Lynch – WA, Michael Walsh – TAS, Mark Sumich – New Zealand, Sandra Masters – ACT, Brett Roenfeldt OAM – SA, Peter Batrouney – VIC and Thomas McGlynn – NSW

» *article continues*

2019 Australasian Real Estate Institutes' Auctioneering Championships: Highlights

» *continued*



1



2



3

- 1 L to R: Luke Banitsiotis (VIC), Clarence White (NSW), Jenna Dunley (ACT), Justin Nickerson (QLD), Bindi Norwell – CEO REINZ, Leon Axford (NSW) and Adrian Kelly – REIA President
- 2 Peter Batrouney – Recipient of the inaugural Auctioneering Award for Excellence for Outstanding Service
- 3 Justin Nickerson

» *article continues*

2019 Australasian Real Estate Institutes' Auctioneering Championships: Highlights

» *continued*

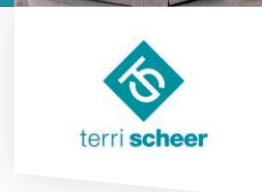


- 1 *Adrian Kelly – REIA President and Bindi Norwell – CEO REINZ*
- 2 *Michael Fenn (SA) and Clarence White (NSW)*
- 3 *Jenna Dunley and Sandra Masters (ACT)*
- 4 *Gavel – part of the theming for the event*

» *article continues*

WHEN THINGS GO WRONG

This article is brought to you by Carolyn Parrella, Terri Scheer Insurance Executive Manager



Evicting a tenant is a worst-case scenario, but there may come a time when a landlord needs their property manager to take action and vacate tenants from their investment property.

Unpaid rent, illegal activity, property damage – these are some of the reasons a property manager may need to help their landlord evict tenants.

Many property managers will be familiar with the process and this information is intended to provide some helpful reminders.

Generally, tenants are evicted when a mutual agreement cannot be reached or the tenant will not vacate on their own accord, and is due to a breach of the terms of their lease agreement.

Property managers should refer to their state's residential tenancy authority before evicting tenants as the legislation can differ from state-to-state.

Reasons for eviction

Property managers must have a legal and valid reason to evict tenants.

The following situations could constitute a breach of lease agreement and warrant evicting tenants:

- Failure to pay rent after receiving reminder notices.
- Consistently late rental payments.

- Malicious damage caused to the property.
- Using the property for illegal purposes.
- Being a nuisance to neighbours.
- Breach of other obligations written in the lease agreement.

Property managers should note there may be grounds for a tenant to appeal these reasons for eviction and have them overturned, including age, health, and lack of alternative accommodation.

Issuing notices

Before you can evict tenants, the correct notices need to be delivered to them and the tenant must have the opportunity to remedy any issues.

Notice types and periods can differ from state-to-state. The reason for eviction can also impact how much notice is to be given.

For example, in most states tenants must be served a Notice to Remedy if they haven't paid their rent. They will be given 14 days to make the payment. Only at the end of that period, and if the rent hasn't been paid, can the landlord issue an eviction notice.

WHEN THINGS GO WRONG

» *continued*

Some evictions will require longer notice periods than others. Breaches of lease agreement generally require 14 days' notice.

It's important that property managers adhere to these requirements, as failing to do so could also impact their ability to claim losses through their landlord insurance.

Evicting the tenant

A termination of lease notice must be provided to tenants to end the lease and enforce their eviction. The termination notice must:

- Be in writing.
- Be signed and dated by the property manager or landlord / property owner.
- Be properly addressed to the tenant with their correct, legal name.

- Give the day on which the lease agreement is terminated and by which date the tenant is required to vacate.
- Where appropriate, give the grounds or reason for the notice.
- Be sure to keep a copy of this notice as proof of evicting the tenants.

When evicting tenants, it's important to follow the correct steps. Failing to do so could result in a landlord being taken to court or tenancy tribunal, where they could be ordered to pay compensation or have the eviction overturned.

For further information, visit www.terrischeer.com.au or call 1800 804 016.

Carolyn Parrella is an experienced rentvestor, Airbnb host and the executive manager of Australia's leading landlord insurer Terri Scheer Insurance. Under Carolyn's guidance, Terri Scheer Insurance supports landlords and gives them the confidence to invest in real estate. Carolyn is a nationally-respected real estate media commentator, a finalist in the 2019 Telstra South Australian Business Women's Awards, and a former Real Estate Institute Awards judge.

» **About Terri Scheer Insurance** *Terri Scheer Insurance Pty Ltd ABN 76 070 874 798 (Terri Scheer) provides insurance cover for landlords, helping to protect them against the risks associated with owning a rental property. These include malicious damage by tenants, accidental damage, landlord's legal liability and loss of rental income. Terri Scheer acts on behalf of AAI Limited ABN 48 005 297 807 AFSL 230859 trading as 'Vero Insurance', the insurer which issues the insurance cover. Terri Scheer has not taken into account the reader's objectives, financial situation or needs. If you are interested in any of Terri Scheer's insurance products, the relevant Product Disclosure Statement should be considered first. It can be viewed online at www.terrischeer.com.au or obtained by calling 1800 804 016. Based in Adelaide, Terri Scheer services all states, territories and capital cities.*

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Real Estate Market Facts

A QUARTERLY REVIEW OF MAJOR PROPERTY MARKETS IN AUSTRALIA, JUNE QUARTER 2019

MEDIAN PRICES DOWN FOR BOTH HOUSES AND OTHER DWELLINGS

In the June quarter 2019, the weighted median prices of houses and other dwellings decreased

Over the quarter, the median price for other dwellings increased in Melbourne, Hobart and

Fast facts
June quarter 2019
\$720,041



NATIONAL MARKET SNAPSHOT

EXTRACTED FROM REAL ESTATE MARKET FACTS
JUNE QUARTER 2019

- ▶ Quarterly Australian weighted median house price is \$720,041
- ▶ Quarterly Australian weighted median other dwellings price is \$565,753

Median house prices up:

Hobart 7.5% to \$520,000

Median house prices stable

Canberra 0.0% to \$665,000

Median house prices down:

Adelaide -0.3% to \$480,000
 Sydney -0.4% to \$1,032,338
 Darwin -0.5% to \$500,000
 Melbourne -1.1% to \$785,000
 Brisbane -1.5% to \$527,000
 Perth -4.0% to \$480,000

Median other dwelling prices up:

Darwin 3.4% to \$325,000
 Melbourne 0.6% to \$590,000
 Hobart 0.4% to \$382,500

Median other dwelling prices down:

Sydney -0.4% to \$688,652
 Perth -1.1% to \$376,000
 Brisbane -3.0% to \$402,500
 Adelaide -3.8% to \$354,900
 Canberra -4.2% to \$439,500



Housing Affordability Report

June quarter 2019

Housing affordability declines while rental affordability improves in the June quarter 2019

State of the nation

The June quarter 2019 showed a decline in housing affordability nationally with the proportion of income required to meet loan repayments increasing to 31.1%, an increase of 0.8 percentage points over the quarter but a decrease of 1.1 percentage points compared to the corresponding quarter of 2018.

Lending trends

The total number of loans (excluding refinancing) increased to 92,734, an increase of 6.6% over the March quarter but a decrease of 15.1% since the same quarter last year. Over the quarter, the total number of loans (excluding refinancing) increased in all states and territories with the largest increase in



NATIONAL AFFORDABILITY SNAPSHOT

EXTRACTED FROM REIA HOUSING AFFORDABILITY REPORT
JUNE QUARTER 2019

	Jun 2019	Mar 2019	Jun 2018
Proportion of family income to meet:			
Home loan repayments	31.1%	30.3%	32.2%
Rent payments	23.8%	25.0%	24.1%

- NSW** Housing affordability declined in NSW by 1.7 percentage points
- VIC** Housing affordability remained steady and rental affordability improved over the June quarter
- QLD** Rental affordability improved while housing affordability declined
- SA** Family income required to meet rents improved the most in South Australia
- WA** Western Australia remains the most affordable place to rent
- TAS** Tasmania is the only state or territory to have a decline of first home buyers
- NT** Northern Territory housing affordability declined to 20.6%, 0.4 percentage points higher than the previous quarter
- ACT** Median rent in the Australian Capital Territory increased to 19.0% of family income.

TIME ON YOUR HANDS

For many of us, trying to focus on our retirement, which may be 20 or 30 years off in the future, is hard.

We have so many competing priorities for our attention today, it's no wonder that a long-term goal to save for your retirement just doesn't seem to hold our attention... until we are nearing retirement.

What if you were to take the approach of just a little, contributed regularly, over the long term? An amount that you would barely miss, yet, over the long term, would tally up to make a huge difference to your end balance.

Consider these sums. Could you afford \$20 per week? That's less than four lattes per week!

Would this be worth it to you?

Starting at age 30, \$20 turns into \$54,677 more, compared to starting at age 50, which would only provide \$19,862 more.

Starting age 30...



Starting age 50...



These sums show you what time on your hands does with regular contributions.

Setting up a regular contribution, like a drip feed, really adds up over the long term, because of the magic of compounding interest. With time it's mighty powerful right?

And what about if you went that little bit further and added \$50 per week. That's the difference between taking your lunch to work every day versus buying it.

Look at the difference it can make to your super.

*Assumptions Age (30 years): Current Balance \$30k. Annual Salary \$70k. Retirement Age 67. Salary Inflation 3.0%. SG Contributions 9.5%. Net Investment Return 6.0%. Annual Inflation Rate 2.5%. Admin Fee (p.a.) \$85.80. Tax Rate - Contributions 15.0%. The projected amount is shown in today's dollars. In years with negative returns, there will be no earnings to reinvest.

**Assumptions Age (50 years): Current Balance \$30k. Annual Salary \$70k. Retirement Age 67. Salary Inflation 3.0%. SG Contributions 9.5%. Net Investment Return 6.0%. Annual Inflation Rate 2.5%. Admin Fee (p.a.) \$85.80. Tax Rate - Contributions

TIME ON YOUR HANDS

» continued

Starting age 30...



Starting age 50...



15.0%. The projected amount is shown in today's dollars. In years with negative returns, there will be no earnings to reinvest.

If you can organise your finances in such a way that you are saving a bit, on a regular basis, over a long period of the time, the difference can be astounding.

Use time to your advantage and see how much of a difference you can make to your final retirement outcome?

***Assumptions Age (30 years):
Current Balance \$30k. Annual Salary \$70k. Retirement Age 67. Salary Inflation 3.0%. SG Contributions 9.5%. Net Investment Return 6.0%. Annual Inflation Rate 2.5%. Admin Fee (p.a.) \$85.80. Tax Rate - Contributions 15.0%. The projected amount is shown in today's dollars. In years with negative returns, there will be no earnings to reinvest.

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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 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 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.



ARE YOU PROTECTING YOUR MOST IMPORTANT ASSETS?



When you're busy running a business, it's easy to lose sight of the fact that you (and perhaps a few other key colleagues) are probably your most important assets.

While you may already have some insurances in place such as professional indemnity and public liability – have you considered the impact on you, your family and your business if a serious accident meant that you or another significant employee were unable to work? Could your business survive, or could you and your family survive without the financial security that your income provides?

Prolonged illness, serious injury and death can seriously impact the viability of your business and disable your livelihood. But with the right insurance cover in place, you can continue to operate with the peace of mind that your most important assets will be protected even if an unfortunate and unexpected event does occur.

Protect your business

The success of your business probably relies heavily on the contributions of yourself along with a partner and possibly a few other critical employees. But if one of these significant people were unable to continue working, the consequences could be devastating.

Perhaps an unknown person could be called in to help you run the business. Your lender may recall their loan, or worse, hold you solely liable to repay the debt if your partner is unable to. Or maybe you'll no longer have the resources to service your clients, resulting in a loss of income and inability to repay your suppliers.

That's where **Key Person Insurance** can help. It can cover against the impact from the loss of colleagues whose money, knowledge, network or experience is vital to the success of the business. By protecting the business against the financial implications of the loss of a key colleague, it can provide a much-needed safety net to keep the business afloat and help it get back on track.



ARE YOU PROTECTING YOUR MOST IMPORTANT ASSETS?

» *continued*

Protect yourself (and your family)

Being unable to work while you're recovering from a serious injury or illness is an uncomfortable prospect that many people don't prepare for. But if life throws you a curveball, would you have the financial means to not only maintain your lifestyle but also pay your medical bills, mortgage and living expenses if you weren't earning an income? Lack of financial security could add another layer of stress to an already stressful time for you and your family.

With the right insurance, part of your salary may be replaced, giving you the breathing space to focus on your recovery and get back on your feet. There are two customisable options available:

Personal Accident Insurance

- Can protect you in the event of **accidental injury**
- Can provide a lump sum payment to help you cover some of your living expenses
- Depending on individual needs, it can be tailored to cover you if an injury is sustained at work, on your journey to work, or anywhere 24/7.

Income Protection (Salary Continuance) Insurance

- Can cover you if you're unable to work due to a range of **illnesses, conditions and accidental injury**
- Can provide ongoing income to live on if you can't work again (note that waiting periods generally apply)
- The policies are flexible and can be tailored from basic to comprehensive cover
- Some policies pay up to 75% of your salary.

We're by your side

Everyone's professional and personal circumstances are different, and that's why it's important to get the right insurance mix to support your individual needs. If you would like to find out more about insurance coverage, please contact the Aon Real Estate_team on 1300 734 274.

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Australian Government
Australian Taxation Office

RENTAL PROPERTY TRAVEL EXPENSES

The law around claiming rental property travel expenses changed on 1 July 2017. This means that residential rental property owners can no longer claim any deductions for the cost of travel to or from their rental property, regardless of the purpose, whether it be to inspect the property or undertake repairs.

More than 70,000 people incorrectly claimed travel costs last year, and the ATO are seeing that trend continue this year.

Rental property owners can only claim a deduction for travel if they are in the business of letting rental properties. Generally, owning one or several rental properties is not considered being in the business of letting rental properties. These activities are considered a form of investment rather than a business.

Travel expenses can only be claimed by a:

- corporate tax entity
- superannuation plan that is not a self-managed superannuation fund
- public unit trust
- managed investment trust
- unit trust or a partnership, all of the members of which are entities of a type listed above.

If rental properties owners have already lodged their tax return and have made a mistake, there's an easy fix: they can request an amendment through ATO online services on myGov or contact their registered tax agent.

For more information, read about [rental property travel expenses](#) on ato.gov.au.



Australian Government
Australian Taxation Office

BEWARE OF PROMOTERS IN YOUR AREA

The ATO is aware of promoters of tax avoidance schemes targeting the property development industry. We want to protect you from becoming unwittingly involved in arrangements that may risk your savings or superannuation balances.

While all taxpayers have the right to arrange their finances to keep taxes to a minimum, some tax planning arrangements may push the boundaries of the law and move into the categories of tax avoidance, tax evasion or fraud.

Promoters of these schemes are often getting an attractive monetary kick back from signing people up or encouraging them to invest. The scheme will be offered to you as a way to minimise or avoid paying taxes – either legally or illegally.

You may be encouraged to invest any savings you have, including your hard earned superannuation, into a certain scheme or arrangement in order to receive a tax benefit. You may be encouraged to incorrectly utilise Government incentives to claim back certain expenses. This leaves you exposed to potential audits from the ATO and the risk of high penalties applying.

We strongly encourage anyone, personal or business, to seek a second opinion before signing up to any tax planning scheme to ensure you aren't getting caught up in an illegitimate arrangement.

If you believe you are already caught up in a tax planning scheme, you should contact us immediately and we can assist you.

Where to seek further clarification

Visit our website at www.ato.gov.au/taxplanning for more information on what to look out for and how to seek a second opinion.

Reporting possible schemes helps keep the tax system fairer for everyone. You can report a tax avoidance scheme by completing a [tip-off form](#) on our website or in the 'contact us' section of the ATO app or by calling **1800 060 062**.

INDUSTRY UPDATE

Industry news from around Australia



Recognition where it's due for buyers' agents

Prevalent in the United States, buyers' agents are becoming increasingly popular in Australia, particularly here in New South Wales.

As the profile of buyers' agents in the real estate sector grows, it's clear prospective buyers are recognising the benefits of having a trained professional on their side.

It's something the State Government has recognised as well.

Fair Trading Fact Sheet

In 2018, Fair Trading invited the REINSW Buyers' Agent Chapter Committee to review the fact sheet listed on their website and provide an updated version that reflects the correct services a buyers' agent delivers.

These changes were adopted and made available online under the title 'Using an agent to buy property.'

This fact sheet is now a go-to-guide for customers explaining the benefits of employing a buyers' agent, how to select the best agent for them and lays out the specific rules of conduct a buyers' agent must abide by.

Propertybuyer CEO Rich Harvey said this move by Fair Trading helped give credence to the profession.

"Buyers' agents are an integral part of the property services industry and provide invaluable and specialist knowledge to consumers. They level the playing field and offer independent representation for buyers, helping them to achieve their property goals," Harvey said.

He added, "It's critical that consumers understand the difference between a buyers' agent and a selling agent."

The point of difference between selling and buying agents is that a selling agent represents the vendor, while a buyers' agent acts solely for the purchaser.

Harvey says "consumers can now feel more confident in knowing what will be delivered and use this information to engage an appropriately experienced buyers' agent to assist them in the delivery of that service".

Recognised on contract

Beyond being acknowledged by Fair Trading, Buyers' agents are also recognised on contract.

In 2014, following a request by the REINSW, the Contract for the Sale and Purchase of Land was updated to include the name and details of buyers' agents on the front page.

Nick Viner from Buyer's Domain said this decision serves as greater acknowledgement of the role of buyers' agents and increases transparency.

"Since the mid-1990s, more and more buyers have been using buyers' agents.

"Gaining our own space on the front page of the contract ultimately promotes greater awareness and understanding of the value we bring to the real estate buying process," Viner said.

"In the interest of transparency, including buyers' agents' details provides a record of the involvement of the buyers' agent, improving accountability for the benefit of the consumer."

Source: The Real Estate Institute of New South Wales

Be ahead of training changes

Changes to training and education standards are now right around the corner, so it's vital you understand how it will impact you – and what steps you can take to minimise disruption to your job.

While these changes are a great step in growing the professionalism of our industry, it's easy to understand why the idea of returning to the classroom when you've been working in the industry for years, isn't that appealing.

What's changing?

Under the new training reforms, agents who hold a Certificate of Registration qualification will need to transition to their Real Estate Licence within a prescribed time frame, or risk being excluded from the industry for 12 months.

Once the changes come into effect, certificate holders will no longer be able to sign agency agreements.

Recognition of prior learning (RPL)

When the changes do begin, there'll only a limited window of opportunity in which thousands of agents will need to up-skill. But there's something you can do now to avoid the rush and potentially shave time off your training.

Some Certificate of Registration holders will be eligible to transition to their Certificate IV qualification through REINSW's Recognition of Prior Learning program. It's where our assessors consider your industry experience and devise the gap training you need, to receive a qualification that will comply with the new regulations.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia



» continued

Once you have your Certificate IV qualification you can apply to NSW Fair Trading for a Real Estate Licence.

Not only can this save time, but it can be done in-house, so multiple agents within the same agency can train at the same time.

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

REIWA launches six-point plan to boost WA's economy

The dramatic decline in sales activity from 89,000 in 2005 to less than 39,000 in 2018 is a clear sign that the property industry needs a stimulus to attract buyers and investors back into the market.

REIWA President Damian Collins said the Western Australian property market is an integral part of the WA economy which provides housing and a regular source of income for the state.

"REIWA's six-point plan outlines recommendations that we believe will help boost the economy and enable more people to enter the property market," Mr Collins said.

Increase the stamp duty exempt threshold for first home buyers to \$550,000

"With first home buyers accounting for a third of all residential property transactions in WA, the stamp duty exception limit should be increased from \$430,000 to \$550,000. This will open up 49 per cent of properties in the Perth central sub region (within 15 kilometres of the CBD).

Enabling first home buyers to purchase established properties provides the opportunity to live closer to the city and also has major economic flow-on effects with buyers often then spending a significant amount on renovations.

REIWA recommends re-introducing the \$7,000 FHOG for the purchase of existing dwellings

In 2018, the number of first home buyers reached its lowest levels since 2011, with 8,511 purchasing established properties and 6,246 purchased new homes.

"By re-introducing the \$7,000 first home owner's grant for the purchase of existing dwellings, all West Australians will get a helping hand into their first home, regardless of what they choose to buy," Mr Collins said.

REIWA recommends that the State Government introduce a \$10,000 concession on stamp duty for seniors over the age of 65 to encourage appropriate 'right-sizing'

Not only is stamp duty a hindrance on affordability, it limits households in making appropriate housing decisions in accordance with their lifestyle choices, changing needs or economic reasons.

"To help seniors over the age of 65 to be able to 'right size' their properties, REIWA is asking the State Government to introduce a \$10,000 concession which will open up housing diversity options for all potential home buyers," Mr Collins said.

Remove the stamp duty penalty for off-the-plan purchases

"In addition REIWA calls for an off-the-plan concession to allow stamp duty to only be payable on the land component

alone, which brings it in line with current house and land purchases, reduces urban sprawl and promotes infill developments.

Revoke the foreign owner duty surcharge to keep WA property competitive

Currently the WA property market attracts the lowest number of foreign investors of any state and is second only to the Northern Territory nationally.

"Foreign investors play a key role in the delivery of off-the-plan projects which creates construction jobs for thousands of West Aussies, which is why REIWA recommends that the seven per cent foreign owner duty surcharge be revoked to keep the WA property market competitive," Mr Collins said.

REIWA recommends that the State Government undertakes a state tax review.

"REIWA's outlook for 2019 indicates the market will remain soft well into 2020 which is why REIWA is asking for the State Government to undertake a state tax review.

"It is important to our economy that the government assesses the viability and financial implications of shifting to a broad-based land tax system that ultimately removes stamp duty.

REIWA will continue to advocate for a fair property tax system so that every West Australian has the opportunity to reach their home ownership aspirations.

Source: *The Real Estate Institute of Western Australia*

» article continues

INDUSTRY UPDATE

Industry news from around Australia



» continued



Leah Calnan – President REIV

Leah takes the REIV reins

Leah Calnan has been elected as the new president of the Real Estate Institute of Victoria, for the 2019-2020 term.

Leah has served as Vice President and Senior Vice President over the past two years and replaces Robyn Waters, who has stepped down following a very successful term as President.

Leah is a titan of the property management and rental sector. Leah is the sole director for the prestigious Metro Property Management and was named Property Manager of the year in 2016.

Leah brings more than 24 years' real estate experience to the role; she has authored books on real estate and is a highly sought after presenter on rental laws.

Former president Robyn Waters said Leah would hit the ground running.

"Leah is an outstanding choice to help lead our sector; she has been a fierce advocate and will push for the right conditions to help our organisation prosper", Ms Waters said.

"Leah is highly respected amongst her peers; she is experienced and is the ideal person to take the real estate sector forward."

Leah's appointment marks the 4th female president in the history of the REIV. She was thrilled to be given this opportunity.

"Real Estate is an important sector in Victoria supporting our economy and providing tens of thousands of jobs, and I look forward to the challenges that lie ahead for our sector", Ms Calnan said.

"This is a critical time for Victorian real estate, as the market rebounds from a slow period amid the prospect of significant law changes."

"We need to make sure that real estate continues to have a strong voice in Victoria."

"I would also like to pay tribute to my friend and mentor Robyn Waters, who has done an outstanding job over the past year as president. She was a strong leader, and I look forward to seeking her counsel during my term as President."

Source: *The Real Estate Institute of Victoria*

Stamp duty rebate gains traction with off-the-plan purchases

REIWA congratulates the McGowan Government for listening to the advice from industry bodies to look at the unfair stamp duty penalty from off-the-plan purchases.

REIWA President Damian Collins said this is a significant win for property buyers and restores the current imbalance where standalone houses only paid duty on land.

"By reducing the tax for off-the-plan sales, not only will it help the government to meet its target of 47 per cent of new dwellings in infill locations, but will help increase the speed of transition from apartment sales to actual

construction activity." Mr Collins said.

"Offering a 75 per cent rebate of up to \$50,000 on stamp duty for off-the-plan purchases is a great start, however not everyone wants a brand new property and to wait years for it to be built. The WA Government needs to look at other ways that they can help more people in owning their own homes.

"In the current real estate climate, we need to help encourage more people to buy. With first home buyers accounting for one third of all sales in Western Australia, they are the oil of the property engine and we should be making it easier for them to get into the market, with the help of all sectors.

"REIWA recommends that the stamp duty exemption for first home buyers increase from \$430,000 to \$550,000 to help encourage sales activity in the established market as well as the infill developments."

Enabling first home buyers to purchase established properties provides the opportunity to live closer to the city and also has major economic flow-on effects to the other sectors as buyers often then spending a significant amount on renovations.

"It is also pleasing to see the opposition committing to making a healthy property industry a focus of the next WA Election by committing to stamp duty exemption for downsizing seniors and removing foreign owner's duty surcharge," Mr Collins said.

"The health of the property market is essential for economic growth of the state and we look forward to working with all sides of government to help WA's economy to thrive."

Find out more on what the [WA property industry are calling the state government to take action on.](#)

Source: *The Real Estate Institute of Western Australia*

POLITICAL WATCH

Information and news from government



Improving quality of life for ACT renters

Renters will soon have access to a higher quality of life with significant changes to standard tenancy agreements commencing from November 1 this year.

The implementation of these changes will allow renters to make their house feel more like a home by giving people more rights to choose how they live in their rental property.

Attorney-General Gordon Ramsay said the changes echo similar reforms in other jurisdictions and follow extensive industry and community consultation.

“These landmark reforms will provide better outcomes for renters whilst still respecting the rights of landlords,” Minister Ramsay said.

“As more and more people choose to rent it’s important that they have the appropriate safeguards to feel established and comfortable in their home.

“We know that by implementing these changes that quality of life will drastically improve for those in the rental market.”

Break lease fees will be limited to six weeks total rent to be paid by the tenant if the lease is terminated within six months of the original lease agreement. Similarly, this fee is reduced to four weeks should the tenant discontinue the lease after a period of six months.

In addition, renters will not be subjected to excessive increases in rent should

a new lease be agreed to by both parties at the termination of a previous lease – subject to tribunal hearings, landlords will not be able to increase rent beyond CPI plus 10 per cent.

Pets will no longer be excluded from rental agreements in properties as part of a lease agreement and landlords will have to apply to the ACAT to refuse tenants from having a pet at their property.

Furthermore, tenants will also be able to make minor modifications to their homes provided those modifications are able to be restored to their original condition before the termination of a lease agreement.

These changes are part of a package of reforms to the ACT’s rental system and are designed to improve the living standards of tenants, whilst balancing the genuine rights of landlords.

Last week, the Attorney-General introduced a number of additional changes to the Residential Tenancies Act to protect the Territory’s most vulnerable renters by allowing them more flexibility in the rental market including better protections for those in family violence situations.

Details of those changes can be found [here](#).

For fact sheets about the November 1 changes visit [Justice and Community Safety website](#)

*Source: Gordon Ramsay, MLA
ACT Government*

REIACT's response to Residential Tenancies Act legislation enactment

Recently, the ACT Government announced the implementation of the Residential Tenancies Act Amendments passed in the Legislative Assembly in February 2019, will take effect on 1st November 2019.

The Real Estate Institute of the ACT is concerned the notice period announced may result in both landlords and tenants not having a full understanding of the legislation and subsequently their responsibilities as no education program has been undertaken by the ACT Government.

The ACT Government Fact Sheet released is comprehensive in the detail of a landlords’ responsibilities under the new legislation, however, it fails to comprehensively explain the ramifications for tenants, should they not comply with legislative requirements.

The REIACT will be providing educational seminars for its members to reinforce their responsibilities whilst acting on behalf of their clients and a full revision of the legislative changes.

The REIACT, through its Property Management Committee, put forward comprehensive submissions to Government during the consultation process, however, none of the proposed recommendations were adopted.

There has been significant reaction from landlords concerned with the formula

POLITICAL WATCH

Information and news from government



» *continued*

for rent increases which will come into effect on 1st November, as to whether it is fair and equitable. Many increased cost factors, including rates, land tax, insurance and maintenance impact the amount of rent charged by landlords. The main concern for landlords is the formulated rent increase allowable will not cover the combined increase of outgoings to sustain their investment property.

Source: The Real Estate Institute of the Australian Capital Territory

Supporting first home buyers

The Coalition Government has recently released for consultation the draft Investment Mandate for the First Home Loan Deposit Scheme (the Scheme) which will help eligible first home buyers enter the property market sooner.

The National Housing Finance and Investment Corporation (NHFIC) Investment Mandate Amendment (First Home Loan Deposit Scheme) Direction 2019, sets out the core elements of the Scheme and NHFIC's housing research function, including the property price caps.

The Scheme provides a guarantee that will allow eligible first home buyers on low and middle incomes to purchase a home with a deposit of as little as 5 per cent. The Scheme will support up to 10,000 loans each financial year, starting from 1 January 2020.

Applicants will be subject to eligibility criteria, including having taxable incomes up to \$125,000 per annum for singles and up to \$200,000 per annum for couples. The Scheme will apply to owner-occupied loans on a principal and interest basis.

Property price caps under the Scheme set appropriate price thresholds in capital cities, large regional centres with a population over 250,000 and regional areas:

State/ territory	Capital city and regional centres	Rest of state
NSW	\$700,000	\$450,000
VIC	\$600,000	\$375,000
QLD	\$475,000	\$400,000
WA	\$400,000	\$300,000
SA	\$400,000	\$250,000
TAS	\$400,000	\$300,000
ACT	\$500,000	-
NT	\$375,000	-

The capital city price caps will apply to large regional centres with a population in excess of 250,000, namely the Gold Coast, Newcastle and Lake Macquarie, the Sunshine Coast, Illawarra (Wollongong) and Geelong, recognising that dwellings in large regional centres tend to be significantly more expensive than other regional areas.

The Scheme complements other Coalition Government initiatives to reduce pressure on housing affordability in Australia and support local communities. This includes:

- The First Home Super Saver Scheme which helps Australians build a deposit for a first home inside their superannuation fund by making voluntary contributions.
- Investing \$1 billion in local infrastructure to unlock new housing supply, in partnership with local councils through the National Housing Infrastructure Facility.
- Releasing suitable Commonwealth land, including defence land, for housing development.

These incentives have helped thousands of first home buyers enter the market. In the past year, around 110,000 Australians bought their first home – the highest level since 2009.

The Coalition Government's plan to build a stronger economy will continue to help first home buyers own their first home sooner.

Stakeholders are invited to comment on the draft Investment Mandate Amendment and associated material, which are available on the [Treasury website](#). Submissions close on Monday, 4 November 2019.

Source:
The Hon Michael Sukkar MP
Minister for Housing
Assistant Treasurer

And

The Hon Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

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POLITICAL WATCH

Information and news from government



» *continued*

Dwelling approvals fall in August

The number of dwellings approved fell 3.9 per cent in August 2019, in trend terms, and has fallen for 21 months, according to data released by the Australian Bureau of Statistics (ABS) recently.

“The fall continues to be driven by private dwellings excluding houses, which decreased by 9.2 per cent in August,” said Daniel Rossi, Director of Construction Statistics at the ABS. “Private sector houses also fell, by 1.0 per cent.”

Across the states and territories, dwelling approvals decreased in August in the Australian Capital Territory (27.7 per cent), Northern Territory (8.7 per cent), New South Wales (5.4 per cent), Victoria (4.0 per cent), Queensland (2.3 per cent), South Australia (0.9 per cent), Tasmania (0.4 per cent) and Western Australia (0.2 per cent), in trend terms.

In trend terms, approvals for private sector houses fell in Western Australia (4.3 per cent), Queensland (1.7 per cent), South Australia (1.6 per cent) and Victoria (1.0 per cent), but rose in New South Wales (0.9 per cent).

The seasonally adjusted estimate for total dwellings approved fell 1.1 per cent in August, driven by a 2.4 per cent decrease in private houses. Private dwellings excluding houses rose 3.1 per cent in seasonally adjusted terms.

The value of total building approved rose 1.1 per cent in August, in trend terms, and has risen for eight months. The value of residential building fell 2.9 per cent, while non-residential building rose 5.7 per cent in trend terms.

“The value of non-residential building approved has risen for 12 months, to a record high of \$4.8 billion. The rise in August was driven by approvals for health buildings in New South Wales,” said Mr Rossi.

Source: Australian Bureau of Statistics

More first home buyers flocking to market as grants surge

Increasing numbers of South Australians are achieving the great Australian dream of home ownership, with the number of First Home Owner Grants paid so far this financial year at its highest level in five years.

In the first three months (July, August and September) of 2019-20, a total of 887 individuals or couples were paid the First Home Owner Grant of up to \$15,000 – a 17% increase on the same period the year prior (760), and a 31% jump on 2017-18 (677).

It's the biggest surge in the number of First Home Owner Grants for the start of a financial year since mid-2014 – and represents more than \$13.3 million in

financial assistance to help young home buyers entering the property market.

Munno Para and Mount Barker are the most popular places for new first home buyers, followed by Lightsview, Northgate and Clearview, the Adelaide CBD, Seaford and Salisbury.

Treasurer Rob Lucas welcomed the results as a “great boon for the SA economy, construction industry and young people alike” and reflected the strength of the local residential property market.

The First Home Owner Grant – of up to \$15,000 – applies to the purchase or construction of a new residential property, including a house, flat, unit, townhouse or apartment that meets local planning standards anywhere in South Australia.

“The Government is delighted that so many first home buyers – many of them young couples and individuals just starting out – have the confidence and means to enter the property market and secure their own special slice of Australia,” Mr Lucas said.

“At a time when the Property Council and its supporters are desperately trying to talk down the economy, these results show there is significant underlying confidence and strength in the market here.

“In the past week, independent analysis by national market leaders (Domain Group and national valuer Herron Todd White) have also heralded Adelaide's residential property market as a rising star,

» *article continues*

POLITICAL WATCH

Information and news from government



» *continued*

outperforming many of the nation's capital cities for stability and sustained growth.

"Our proposed land tax reform will further enhance this investment attraction, by reducing the top land tax rate from a national high 3.7% to 2.4%, driving our competitiveness and boosting business and consumer confidence."

The First Home Owner Grant ceased for established homes from 1 July 2014.

The residential property must be occupied as each applicants' principal place of residence for a continuous period of at least six months commencing within 12 months of date of settlement for contracts to purchase, or the date construction is completed for owner builders or contracts to build.

Last financial year, there was a total of \$42.25 million in First Home Owner Grants paid in South Australia.

*Source: Hon Rob Lucas MLC
Treasurer
Government of South Australia*

ACCC commences pricing transparency inquiry for home loans

The Federal Government has directed the ACCC to immediately commence an inquiry into home loan pricing. The ACCC is to investigate a wide range of issues ranging from the rates paid by new vs existing customers, how the cost of financing for banks has affected bank decisions on interest rates, and why RBA cuts aren't always passed on in full.

In addition, the inquiry will consider what prevents more consumers from switching to cheaper home loans. The ACCC will consider matters such as consumer decision-making and biases, information used by consumers and the extent to which suppliers may contribute to consumers paying more than they need to for home loans.

By holding an inquiry under Part VIIA of the Competition and Consumer Act (2010), the ACCC can use compulsory information-gathering powers to gather information from financial institutions including their decision making documents.

"Having consumers and the community understand how pricing decisions are made, why, and with what consequences is important for a well-functioning market," ACCC Chair Rod Sims said.

"We are looking forward to examining how banks make these crucial decisions.

It will be important to understand and examine the different factors that financial institutions take into account when setting their prices."

This inquiry will build on the ACCC's [Residential Mortgage Inquiry](#), a deep dive into the banks subject to the Government's Major Bank Levy. This was followed by an inquiry into foreign exchange services.

"We will aim to provide answers to the questions that banking customers have long asked. For example, we know from our first financial services inquiry that there is an unusually large difference between the headline rate and the actual rates many customers are paying, which can be confusing for consumers. It is also very difficult for customers to find out what mortgage rate they could pay with another financial institution, without going through a lengthy and time consuming application process," Mr Sims said.

"We have evidence that customers can save considerable money by switching providers, and we want to fully understand what the barriers are that stand in their way, particularly barriers created by the banks."

In undertaking this work, the ACCC will consult closely with financial regulators such as the Reserve Bank of Australia, the Australian Prudential Regulatory Authority, and the Australian Securities and Investments Commission.

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POLITICAL WATCH

Information and news from government



» *continued*

The ACCC is expected to produce a preliminary report by the end of March 2020, with a final report due 30 September 2020.

More information is available at [Home loan price inquiry](#).

Source: Australian Competition & Consumer Commission

New lending to households rises 3.2 per cent

The value of new lending commitments to households rose 3.2 per cent in August 2019, seasonally adjusted, according to the latest Australian Bureau of Statistics (ABS) figures.

The rise in new lending commitments to households in August follows a 4.3 per cent rise in July and a 1.8 per cent rise in June 2019.

ABS Chief Economist, Bruce Hockman said: "In August, new lending commitments to households rose for the third straight month."

"Strong refinancing activity was seen for the second month in a row, while new lending commitments for investment dwellings recorded the strongest monthly growth since September 2016."

The value of new lending commitments for owner occupier dwellings rose 1.9 per cent nationally in August, with rises in all states

and territories apart from the Northern Territory. New lending commitments for investment dwellings rose 5.7 per cent in August, with Queensland (up 10.4 per cent) and Victoria (up 9.5 per cent) recording the strongest growth.

The number of loans to owner occupier first home buyers rose 5.2 per cent in August, the strongest rise this year. Compared to August 2018, the number of owner occupier first home buyer loan commitments were up 8.0 per cent.

Personal finance commitments fell 2.2 per cent in August following a 3.8 per cent fall in July and was down 12.9 per cent on August 2018.

In trend terms, the value of new lending commitments to businesses fell 2.0 per cent in August and was down 5.3 per cent on August 2018.

Source: Australian Bureau of Statistics



38TH FIABCI GLOBAL BUSINESS SUMMIT



38th FIABCI Global Business Summit
December 4-7, 2019 – Ghent, Belgium



**GREEN BUILDINGS AND
INNOVATIVE URBAN PLANNING**



OVERVIEW

As the world becomes more urban and population expands, so does the need to build. But buildings alone generate nearly 40% of annual global greenhouse gas emissions. Making cities more sustainable, one green building at a time, is thus more urgent than ever.

From planning to design, construction to operation, adopting greener practices have multiple environmental, economic, and social benefits. Under the theme “Green Buildings and Innovative Urban Planning”, the 38th FIABCI Global Business Summit will dive into the processes that will help all professionals from the real estate industry to design a more sustainable path towards fulfilling the needs of the present without compromising the future.

It seems only fitting that the summit takes place in Ghent, a young and dynamic Belgian city that has rightfully earned its green credentials over the

years with a progressive approach to sustainable living. Through social and property tours, participants will have the chance to explore the city and understand why it has been a finalist for the European Green Capital Award for two years running.

The exciting program of this year’s edition of the FIABCI Global Business Summit also features panel discussions, forums, trainings, workshops and a start-up pitch that are sure to deepen one’s knowledge about green buildings and the innovative tools available to take sustainability goals to the next level.

[Click here](#) to FIABCI website.

THE WORLD

Property news from around the world



Changing regulation biggest impact for real estate profession going forward, says REINZ

The area that could have the greatest impact on the real estate profession over the next three years is changing government and local council regulations, according to research issued recently by the Real Estate Institute of New Zealand (REINZ).

According to a survey of 1,861 real estate professionals around the country, 59% cited changing regulation as the top trend that may impact on the industry over the next three years, whereas two years ago changing regulation was 6th on the list with 51% citing it as having a great impact.

Bindi Norwell, Chief Executive at REINZ says: "Given the pace of legislative change the real estate profession has had to deal with over the last two years, including Anti Money Laundering, changes to the Residential Tenancies Act, a ban on letting fees, negative gearing, asbestos, methamphetamine and a ban on foreign buyers, it's not surprising that regulation is top of mind right now for the industry.

"The real estate industry has had to deal with more legislative changes in the last two years than we've dealt with in the five years prior. This has involved a significant level of upskilling across the industry as well as the implementation of new technology systems and processes; all of which require an investment which comes at a cost," says Norwell.

Second on the list of areas that could have the greatest impact on the real estate industry is global economic conditions with 53% of respondents citing this as a concern – up slightly from 52% in 2017. This was followed closely with New Zealand's the aging population (53% - down from 57% in 2017) and new legislation (50% up from 39% in 2017).

Other trends viewed as having the greatest impact on the real estate industry are people moving from larger cities to small towns (50% down from 52%), immigration (39% down significantly from 65% in 2017) and more apartments/terraced houses being built (36% down from 43%).

"When we last surveyed the profession back in 2017, the issue that the industry felt could have the greatest impact was interest rates with 69% of respondents citing that as their top trend. As interest rates have continued to fall over the last two years, it's now 9th on the list," concludes Norwell.

Research was conducted by Kantar TNZ for REINZ and involved 1,861 completed surveys. Fieldwork was completed between 17 March and 7 June 2019.

Top 10 trends viewed as having the greatest impact on the industry in NZ in the next 1-3 years

Rank	Trend	2019 score (%)	2017 score (%)
1	Government or council regulations e.g. planning changes, healthy homes etc	59	51
2	Global economic conditions	53	52
3	Aging population	53	57
4	New legislation	50	39
5	People moving from larger cities to small towns	50	52
6	Immigration	39	65
7	More apartments/terraced housing being built	36	43
8	Global political situation	34	44
9	Increasing interest rates	29	69
10	Foreign buyers	21	46

Source: The Real Estate Institute of New Zealand

THE WORLD

Property news from around the world



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Spanish property market seeing steadily higher prices

Spain's residential property market is now seeing an increase in construction activity, growing interest from international buyers and steadily growing prices, according to a new report.

The hardships faced by Spain following the global financial crisis are now in the past, says the analysis from global real estate advisor Savills, and as a result the future looks bright for the country's property market.

Following nearly a decade when practically no residential homes were built, construction activity is increasing. This is mainly in the key cities, but also across the country and it is forecast to increase as more residential permits are granted.

There is growing interest from international buyers, especially from countries in Latin America that share cultural and historical links with Spain.

The report explains that in a global context, Spain's prime city markets offer value for money and more growth potential than other world cities.

Madrid has the most expensive prime property in Spain, with an average value of €7,000 per square metre. This represents a discount of 23.1% compared with Berlin, 60.5% with London and 84.6% with Hong Kong, the most expensive city in the world for prime residential property.

In Barcelona, prime values are 11.4% cheaper than in Madrid, standing at €6,200 per square metre. This leaves prices 8.8% more expensive than Dubai and 24.0% higher than Valencia, which, at €5,000 is the most affordable of Spain's three largest cities. In both Madrid and Barcelona, prime values can reach €15,000 per square metre for the highest quality new build apartments.

As for Spain's resort locations, average prices on a per square metre basis in the Costa del Sol are nearly 50% higher than in the Costa Brava. At a local level, Marbella is 50% more expensive than Malaga.

British buyers continue to make up the largest group of foreign nationals buying property in Spain. They accounted for 14.8% of purchases in 2018, followed by French and German buyers at 7.9% and 7.6% respectively. The report says that this indicates that the uncertainty leading up to Britain leaving the European Union has not deterred buyers from investing in or relocating to Spain.

During the past five years, the number of international buyers has nearly doubled. This increase coincides with the introduction of Spain's golden visa scheme. This allows non-EU nationals to obtain residency in Spain if they invest half a million euros or more into real estate.

The scheme has driven foreign buyers to the Spanish prime markets, particularly from Morocco, China and Russia. There is also rising demand from Spanish-speaking South America. Some of the

largest growth over the past five years has come from buyers in Ecuador and Argentina, with numbers rising by 270% and 150% respectively.

Supply of new residential properties has been one of the key hindrances in the market. After the boom in construction prior to the economic downturn, there has not been enough demand to meet supply, resulting in an oversupplied market, particularly in the south of the country.

Since 2007, however, the dramatic fall in construction activity has resulted in the overhang of stock being steadily sold and the market is becoming more balanced. In the middle of 2007, new property permits reached 750,000 for the year compared with just 30,000 in 2014.

There are signs that construction of new homes is picking up as developers return to the market. A total of 78,000 new dwellings were granted permits across the country in 2018, an increase of 23.1% from 2017.

The report adds that although the Spanish property market has been in recovery for a number of years, much of the progress has been recovering old ground, rather than fresh growth. The market is expected to continue growing, but there are likely to be regional differences, with the larger and second tier cities seeing higher rises compared with rural and less populated areas.

Source: PropertyWire.com

» *article continues*

THE WORLD

Property news from around the world



» *continued*

Property prices rise in 80% of key global cities

Property prices in key cities across the world increased by 3.5% on average in the second quarter of 2019, led by annual growth of 25% in Xi'an in China, the latest international index shows.

Overall, some 80% of the 150 cities covered by the Knight Frank index saw property prices rise in the 12 months to the end of the second quarter while there was growth of 5.9% in emerging markets and 2% in developed markets.

The second highest annual growth was 24.2% in Budapest, followed by 18.3% in Hyderabad, 15.3% in Ahmedabad, 14.6% in Wuhan and St Petersburg, 13.6% in Porto, 12.1% in Chongqing, 11.4% in Zagreb and 11.2% in Athens.

At the other end prices fell by 9.6% in Sydney, by 9.4% in Dubai, by 9.3% in Melbourne, by 7.8% in Abu Dhabi, by 7.5% in Ljubljana, by 7.1% in Delhi, by 5.5% in Jerusalem, by 5% in Darwin, by 4.9% in Vancouver and by 4.8% in Aberdeen.

Overall, the index continues to track lower recording average growth, down from a high of 6.7% at the end of 2016. The index report says that rising economic uncertainty, political crises and affordability concerns are leading to weaker sentiment in mainstream housing markets.

In Europe, Porto up 13.6%, Zagreb up 11.4% and Athens up 11.2%, are rising

from a low base, and prices in all three cities still sit below their pre-financial crisis peak. Dutch and Spanish, along with Latin American capitals, also rank highly.

Of note is the widening gap between cities in the same country. This includes Wellington with a rise of 9.1% but Auckland down 2.9%, Ottawa up 6.3% but Vancouver down 4.9%, Lyon up 9.2% but Marseille up just 0.3%, and Phoenix up 5.8% but Seattle down 1.3%.

'Local economic fortunes, opposing market cycles and in some cases, tighter property market regulations are behind this divergence. A number of tier one cities find themselves in the bottom third of the index rankings this quarter, including London, New York, Auckland, Rome, Dubai and Sydney,' said Kate Everett-Allen, head of global residential research at Knight Frank.

'In a number of these cities, the prime sector continues to outperform the mainstream market, whilst in others, analysis of price movements in the last quarter suggest their rate of decline is starting to slow,' she explained.

'Aside from the Dutch cities which are recovering following a sharp downturn in 2012, the remaining markets are rising from a low base and in several cases, a dearth of supply in recent years has put pressure on prices as demand has strengthened,' she added.

Source: PropertyWire.com

Rents in the UK up 1.3% in year to September 2019

Rents in the UK's private rented sector increased by 1.3% in the 12 months to September 2019, and are unchanged since May 2019, the latest official figures show.

In England rents increased by 1.3%, in Wales they were up by 1.2%, and in Scotland there was a year on year increase of 0.8% over the 12 month period, while in Northern Ireland they increased 1.9% in the year to June 2019

The data published by the Office for National Statistics also shows that excluding London, rents increased by 1.5% in the 12 months to September 2019, unchanged since January 2019 while in London rents were up by 0.9%.

A breakdown of the figures show that the largest annual rent increase was in the South West, up by 2.1%, and up marginally from 2% growth recorded in August 2019. This was followed by Yorkshire and The Humber up 1.8%, the East Midlands up 1.7% and the South East up 1.6%.

The lowest annual rent growth was in the North East of England where rents increased by 0.6%, followed by London with a rise of 0.9% in the 12 months to September 2019.

Growth in private rents paid by tenants in the UK generally slowed since the beginning of 2016, driven mainly by a slowdown in London over the same period. Rental growth has started to pick up since the end of 2018, driven by strengthening growth in London.

Source: PropertyWire.com

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