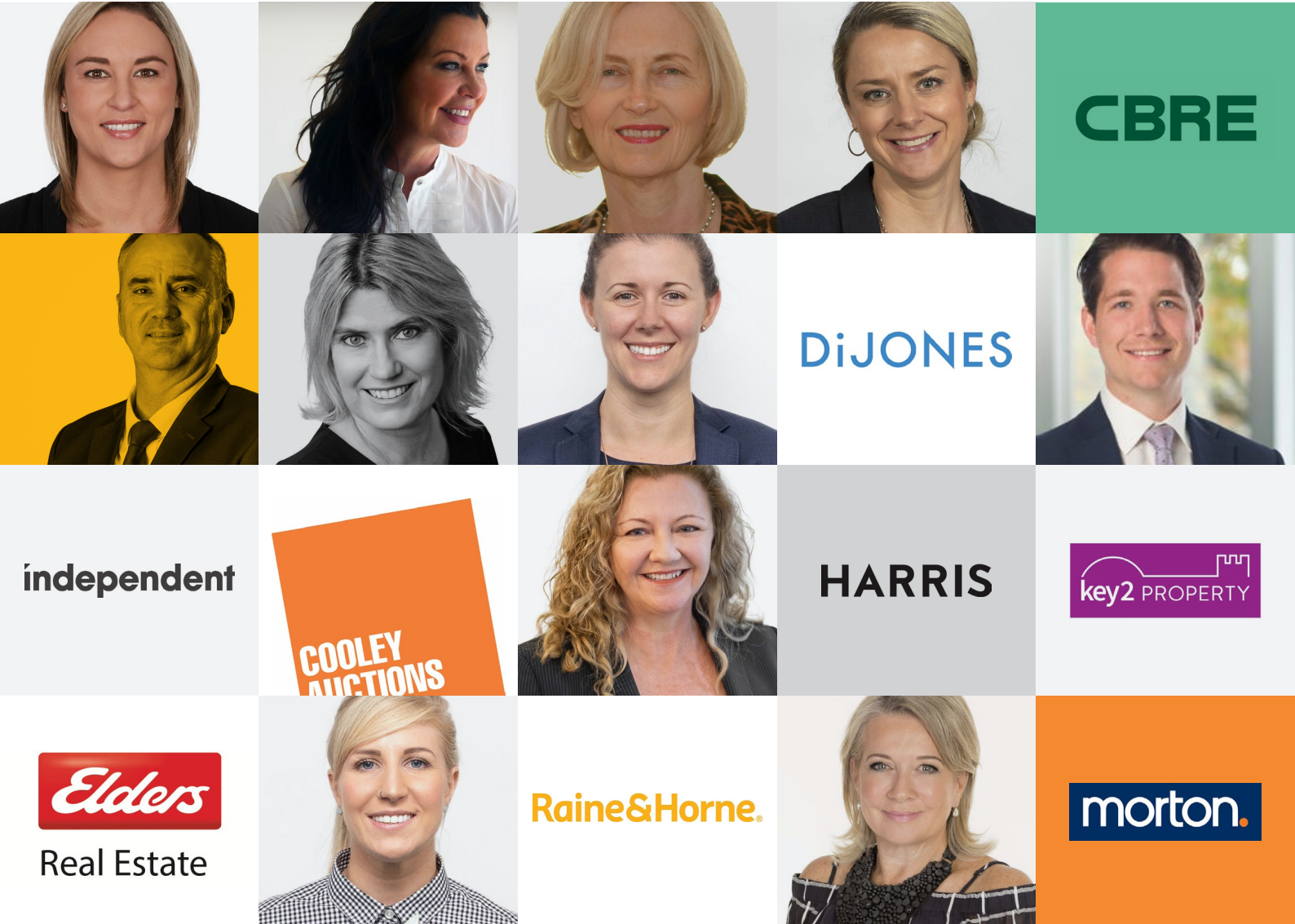


REIANEWS

ISSUE 96: MARCH – APRIL 2020



Winners of the 2020 REIA National Awards for Excellence

IN THIS ISSUE

LANDLORD AND TENANT
RESPONSIBILITIES

CLOSING THE SUPER GENDER
GAP FOR WOMEN IN REAL ESTATE

WORKING REMOTELY

WANT TO FIND OUT
ABOUT PROMOTING YOUR
BRAND IN **REIA NEWS?**

MORE

CONTACT REIA ON **02 6282 4277** OR AT **REIA@REIA.COM.AU**
FOR FURTHER INFORMATION.



PRESIDENT'S REPORT

Mr Adrian Kelly
REIA President



WELCOME FROM REIA'S PRESIDENT

Welcome to the March – April edition of REIA News.

Our world has been turned upside down since the last edition of REIA News with the outbreak of Coronavirus across the world.

Our sector is not immune from the impacts of this. Indeed the impact has placed added responsibilities on our professionals as we deal with providing housing for Australians. Property managers in particular have the added burden of dealing with tenants that have lost their jobs or had their incomes greatly reduced whilst at the same time their agencies face greatly reduced cash flow.

REIA is making daily statements – sometimes more – on the rapidly evolving situation.

I would like to recommend that you go to www.reia.asn.au/media/media-releases/ to find out about the latest

developments. I'd also recommend that you visit www.Australia.gov.au which gives you the latest Coronavirus news, updates and advice from government agencies across Australia including assistance available to individuals and business.

One of the casualties of Coronavirus has been REIA's National Awards for Excellence which was to be held in Darwin on 2 April 2020. This was extremely disappointing as the event showcases excellence in the profession. The winners were announced and this edition provides details of the winners from each of the states and territories highlighting their outstanding achievements.

I say thank you to the industry for the leadership that you are showing during this very difficult time. Whether a buyer, seller, owner occupier or tenant, housing touches everyone. Together we will get through this.

Mr Adrian Kelly

REIA PRESIDENT



Follow us on Twitter [@REIANational](https://twitter.com/REIANational)

AVOIDING CONFUSION AROUND LANDLORD AND TENANT RESPONSIBILITIES

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



Smoke alarms, lawns and security are key features of an investment property. But who is ultimately responsible for their maintenance can be a source of confusion and conflict among landlords and tenants.

According to leading landlord insurance provider, Terri Scheer Insurance, misunderstandings and miscommunication around tasks such as changing the battery on a smoke alarm, mowing the lawn and maintaining security locks can place strain on a rental relationship.

“For property managers, having a clear understanding on the responsibilities of both the landlord and tenant is critical,” Terri Scheer Insurance Executive Manager Carolyn Parrella said.

“Otherwise there is a risk that important tasks are not done, which can not only impact on the liveability of a property but also present a safety concern.

“Testing and replacing a smoke alarm battery, for example, can be a relatively simple job. However if it’s overlooked in the confusion over responsibility, lives can be put at risk.”

Smoke alarms

As daylight savings comes to an end, local governments and emergency service agencies recommend households change

smoke alarm batteries at the same time as winding their clocks back.

Tenants in all states and territories other than South Australia are responsible for carrying out smoke alarm maintenance. In SA, landlords are required to clean, test and replace the batteries in smoke alarms annually.

“Regardless of who is legally responsible for changing smoke alarm batteries, landlords should proactively check the alarms are in working order,” Ms Parrella said.

Lawns

The priorities of landlords and tenants can sometimes differ when it comes to maintaining lawns, particularly during dry months.

Unless otherwise stated in the lease agreement, maintaining the lawn and gardens is the responsibility of the tenant.

“This can include weeding, watering, pruning and fertilising to keep the grounds to a suitable standard,” Ms Parrella said.

Security locks

It is up to the property owner to provide a safe and secure property for the tenant to reside in.

“Landlords are responsible for ensuring adequate security features are in place such as locks on external doors,” Ms Parrella said.

“Tenants seeking to change any locks must first seek a landlord’s approval before doing so.”

Ms Parrella said any landlord or tenant who is unsure of their responsibilities should seek clarification, ideally before entering into a tenancy agreement.

“Managing expectations ultimately comes down to maintaining a clear and open communication channel between the tenant and landlord,” she said.

“Assuming you’re not responsible for a certain task can expose either party to risk.”

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

» **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.

» **Disclaimer** The information contained in this article is intended to be of a general nature only. Terri Scheer does not accept any legal responsibility for any loss incurred as a result of reliance upon it. Insurance issued by Vero Insurance. Read the Product Disclosure Statement before buying this insurance and consider whether it is right for you. Contact Terri Scheer on 1800 804 016 or visit our website at www.terrischeer.com.au for a copy.

Protect your client's rental property and income



Landlord insurance from just \$1 a day*

Terri Scheer is Australia's leading landlord insurance specialist, offering protection for your client's rental property from risks that standard building and contents insurance may not cover.

- ◆ Loss of rent
- ◆ Tenant Damage
- ◆ Theft by tenants
- ◆ Flood, storm and water damage
- ◆ Damage by pets
- ◆ May be fully tax deductible

Call 1800 804 016 or visit terrischeer.com.au

Australia's Leading Landlord Insurance Specialist



terri scheer

*Across Australia, 71% of Terri Scheer customers paid \$1 or less a day for their Landlord Insurance Policy. Premium is based on all Terri Scheer Landlord Preferred and Landlord Self-Managed Insurance policies purchased or renewal in the 6 months 1/7/2018 – 31/12/18, inclusive of taxes. Conditions and legibility criteria apply. Consult your tax advisor in relation to tax deductibility of premium. Insurance issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance. In arranging your insurance, Terri Scheer Insurance ABN 76 070 874 798 AFSL 218585 acts under authority given to it by Vero Insurance. Read the Product Disclosure Statement before buying this insurance and consider whether it is right for you. Call 1800 804 016 for a copy.



2020 AWARDS FOR

excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

WINNERS OF THE 2020 REIA NATIONAL AWARDS FOR EXCELLENCE ANNOUNCED

The Real Estate Institute of Australia (REIA) announced the winners of the 15th National Awards for Excellence.

Due to the measures currently in place surrounding COVID-19, the event planned to be held in Darwin on 2 April 2020 was cancelled. REIA President Adrian Kelly said whilst this was disappointing it was inevitable for the safety and wellbeing of all concerned.

“Industry professionals from across Australia entered the REIA National Awards and we saw winners from each of the states and territories highlighting there are outstanding achievers everywhere,” Mr Kelly said.

Toop&Toop in South Australia were inducted into the REIA Hall of Fame for the third time, an achievement unparalleled in the history of the REIA National Awards for Excellence. Toop&Toop were inducted for winning Large Residential Agency of the Year at the national level in 2017, 2018 and 2019.

In particular New South Wales saw outstanding results with winners in five categories, including Community Service Award to Damien Cooley of Cooley Auctions and Residential Sales Team of the Year awarded to Morton Real Estate of New South Wales.

Medium Residential Agency of the Year was awarded to Tasmania’s Key2 Property and Helen Lehane of First National Hobart and Kingston won Business Development Manager of the Year.

South Australia’s Sally Cameron of Toop&Toop took home the Residential Salesperson of the Year, being only the fourth time since the inception of the national awards in 2006, a female salesperson has taken home this award. Nikki Katz of Benchmark Business Sales & Valuation in South Australia won back to back Business Broker of the Year, having won this award last year. Harris Real Estate in South Australia was awarded the Large Residential Agency of the Year.

The Australian Capital Territory was well represented with Guy Randell of Burgess Rawson taking home the



2020 AWARDS FOR **excellence**

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

Commercial Salesperson of the Year and Hannah Gill of Independent Property Management winning the Operational Leadership Award and Kimberly Nugent also of Independent Property Management winning the Residential Property Manager of the Year award. Independent also took home the Innovation award for 2020.

Liz Sterzel of Property Wizards in Western Australia won Buyers' Agent of the Year with Sharyn Howe of Realmark North Coastal winning the Operational Support Award.

CBRE Victoria won Commercial Agency of the Year and Kimberley Paterson of CBRE Victoria winning the Achievement Award for 2020. Luke Piccolo of Woodards Northern in Victoria took home the title of Marketer of the Year.

Territorians were proud to see Elders Real Estate Katherine winning Small Residential Agency of the Year.

Joseph Walton, Director of Allard Shelton Pty Ltd in Victoria won the prestigious President's Award for 2020, recognizing significant contribution made by an individual to the real estate profession.

"Joseph is a passionate property professional with vast knowledge and experience in all sectors of the property market, encompassing the sale and leasing of commercial, retail and industrial properties, in addition to residential sales.

Joseph has worked extensively with government departments, publicly-listed entities, charitable foundations and high-net-worth private individuals. Having commenced

at Allard Shelton in 2003 (as a Sales Executive) Joseph was appointed as a Director of the business in 2008.

With exceptional attention to detail and strong ethical standards, Joseph is passionate about giving back to his industry and the broader community. This is consistently demonstrated through his involvement in various industry associations at both a state and national level," Mr Kelly said.

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

CONGRATULATIONS

to all the REIA National Awards for Excellence Winners 2020

Achievement Award



WINNER

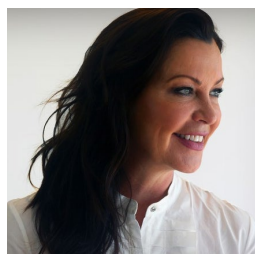
Kimberley Paterson

CBRE Victoria

FINALISTS

- ACT Ravi Soni – Laing+Simmons
Commercial Property (ACT)
- NT Bec Wescombe – Knight Frank NT
- NSW Taylah Vine – Dowling Real
Estate Raymond Terrace
- VIC Kimberley Paterson CBRE

Business Broker of the Year



WINNER

Nikki Katz

Benchmark Business
Sales & Valuations SA

FINALISTS

- SA Nikki Katz – Benchmark Business
Sales & Valuations
- VIC John Kasapi – Benchmark
Business Sales & Valuations

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Buyers' Agent
of the Year**



WINNER

Liz Sterzel

Property Wizards WA

FINALISTS

NSW Shelley Horton – Albion Avenue

SA Katherine Skinner – National
Property Buyers

VIC Lisa Parker – Parker Buyer Advocates

WA Liz Sterzel – Property Wizards

**Commercial
Property
Manager of
the Year**



WINNER

Helen Storey

CBRE NSW

FINALISTS

NT Roger Tebeck – First National Framptons

NSW Helen Storey – CBRE

SA Himadri Chatterjee – Colliers International

TAS Craig Connell – Knight Frank Hobart

VIC Gabriela Ammendola – GA Industrial
& Commercial

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Commercial
Agency of
the Year**

CBRE

WINNER

CBRE Victoria

FINALISTS

ACT Colliers International (ACT)
NT North Commercial NT
NSW CBRE
SA Commercial SA
VIC CBRE
WA Transact Capital

**Commercial
Salesperson
of the Year**



WINNER

Guy Randell

Burgess Rawson ACT

FINALISTS

ACT Guy Randell – Burgess Rawson ACT
NT Alison Ross – Elders Katherine
NSW Joshua Charles – One Commercial Property
SA Andrew Turner – Commercial SA
TAS Andrew Howell – Tucker & Howell
VIC Todd Grima – CBRE

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Operational
Support Award**



WINNER

Sharyn Howe

Realmark North Coastal WA

FINALISTS

ACT Natalie Mills – McGrath Dickson

NT Kylie Westbrook – Real Estate Central

NSW Edward Gorddard – Colliers International

VIC Simone Firms – Network Pacific Real Estate

WA Sharyn Howe – Realmark North Coastal

**Operational
Leadership
Award**



WINNER

Hannah Gill

Independent Property
Management

ACT

FINALISTS

ACT Hannah Gill – Independent
Property Management

SA Tiffany Browne – Xsell Property

VIC Damian Portaro – Ray White Mildura

WA Christian Smith – Century 21 Real Estate



2020 AWARDS FOR

excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

Marketing & Communications Award

DiJONES

WINNER

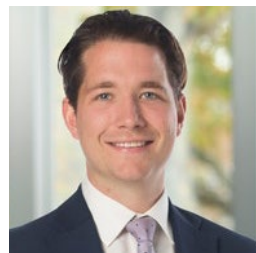
Di Jones Real Estate

NSW

FINALISTS

ACT Independent
NT Real Estate Central
NSW Di Jones Real Estate
TAS Key2 Property
VIC Kay & Burton
WA Realmark

Marketer of the Year Award



WINNER

Luke Piccolo

Woodards (Northern)

VIC

FINALISTS

NSW Michael Crombie – Colliers International
TAS David Herynk – Harcourts Launceston
VIC Luke Piccolo – Woodards (Northern)



REIA

REAL ESTATE INSTITUTE
OF AUSTRALIA

2020 AWARDS FOR

excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

Innovation Award

Independent

WINNER

Independent

ACT

FINALISTS

ACT Independent

NSW Raine & Horne Terrigal-Avoca Beach

SA Harris Real Estate

TAS Key2 Property

VIC Network Pacific Real Estate

Community Service Award



WINNER

Damien Cooley

Cooley Auctions

NSW

FINALISTS

ACT Independent

NSW Damien Cooley – Cooley Auctions

SA Michele Alexandrou – LJ Hooker St Peters

WA Harcourts WA

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Business
Development
Manager of
the Year**



WINNER

Helen Lehane

First National Hobart & Kingston
TAS

FINALISTS

- ACT Lyn Fairweather – LJ Hooker Gungahlin
- NT Kate Nolan – Ray White Darwin
- SA Nathan Moore – Harris Real Estate
- TAS Helen Lehane – First National Hobart & Kingston
- VIC Melissa Hickson – Prime Residential Property Management
- WA Amy Doran – Hedland First National

**Large
Residential
Agency of
the Year**

HARRIS

WINNER

Harris Real Estate

SA

FINALISTS

- ACT Independent
- NT Real Estate Central
- NSW Highland Property Agents
- SA Harris Real Estate
- TAS Harcourts Signature
- VIC Methven Professionals Mooroolbark



2020 AWARDS FOR

excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

Medium Residential Agency of the Year



WINNER

Key2 Property

TAS

FINALISTS

ACT McGrath Dickson
NT First National O'Donoghues
NSW Molenaar & McNeice
SA LJ Hooker Kensington/Unley
TAS Key2 Property
VIC Woodards Manningham

Small Residential Agency of the Year



Real Estate

WINNER

Elders Real Estate Katherine

NT

FINALISTS

ACT En Vogue Property Management
NT Elders Real Estate Katherine
SA Adcock Real Estate
TAS Downton Property
VIC McGrath Sandringham
WA Mint Real Estate Claremont

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Residential
Property
Manager of
the Year**



WINNER

Kimberly Nugent

Independent Property
Management

ACT

FINALISTS

ACT Kimberly Nugent – Independent
Property Management

NT Sarah Chau – United Realty NT

NSW Laetitia Jones – Home Specialist
Property Management

SA Melanie Williams – Harris Real Estate

TAS Dani shields – Harcourts Signature

WA Kristy Yates – Perth Property Management

**Residential
Property
Management
Team of
the Year**

Raine&Horne®

WINNER

Raine & Horne Newtown

NSW

FINALISTS

ACT McIntyre Property

NSW Raine & Horne Newtown

TAS Key2 Property

VIC Nicholas Lynch Rentals

WA Perth Property Management

2020 AWARDS FOR
excellence

Thursday 2 April 2020 • Mindil Beach Casino & Resort Darwin

**Residential
Salesperson
of the Year**



WINNER

Sally Cameron

Toop&Toop

SA

FINALISTS

ACT Peta Barrett – LJ Hooker Kippax

NT Adam Hayes – Call2View Real Estate

NSW Betty Ockerlander – McGrath Estate Agents

SA Sally Cameron – Toop&Toop

TAS Helen Lehane – First National
Hobart & Kingston

VIC Vicki Sayers – RT Edgar Mt Eliza

WA Peter Clements – Mint Real
Estate Claremont

**Residential
Sales Team
of the Year**



WINNER

Morton Real Estate

NSW

FINALISTS

ACT Mark Larmer, Aaron Lewis & Tania Butler-
Kemp – Independent Inner North & City

NSW Morton Real Estate

TAS Sims for Property

VIC Network Pacific Real Estate

CLOSING THE SUPER GENDER GAP FOR WOMEN IN REAL ESTATE

On average women currently retire with 47% less super than men. Consider these key facts, and what you can do, as a woman to take control of your super and close the gap.



Women are a force to behold!

Recently we saw a lot of press about women being more likely to own their home than men*. This is despite the gender pay gap, particularly for younger women.

Yet, women still have under two thirds the super saved than men!

So does this speak to better spending habits? Maybe, but super is generally linked to your time working, so if you have time off for caring for your children, then this will put you behind.

There are a few things that can help women to catch up on their super savings.

The Catch-Up Rules

These rules allow you to exceed the \$25,000 contribution 'gap' rules by carrying over the unused limit to the next year. In fact, you can carry this over for up to five years. So, if you're returning from maternity leave, you can play catch up once you're back working again. Please see the [ATO website for the rules](#).

Spouse Contribution Splitting Rules

While you're not working, you may also consider getting your partner to chip into your super as well. If you're earning less than \$37,000, then the Spouse Contribution Splitting rules can help you keep adding to your super, while you're caring for the kiddies and your partner take advantage of a tax concession on the contributions. This will apply to anyone that is married or de facto, including same sex couples. Please see the [ATO website for further details](#).

Downsizer Rules

In honour of International Women's day, consider these key facts, and what you can do, as a woman to take control of your super and close the gap. If you're over 65, then you could consider the 'downsizer' rules that allows you to contribute up to \$300,000 to help with your super. If you sell a residence you live in, then you can add it to your super for concessional tax treatment! Please see this link for [eligibility and further details](#). You're best to speak to a financial planner to make sure this is a good fit for you.

Transition to Retirement Rules

Likewise, taking advantage of the Transition to Retirement rules, means you can draw down on your super (as a pension) while you're still salary sacrificing into your super to keep it growing. It might be a tax effective setup for you but of course, you should see a financial planner to help you really understand the numbers as they relate to you. Read more about how [Transition to Retirement works](#).

Consolidation & Lost Super

Hug your super and bring it all together. If you don't have one consolidated account, then review this. One fund, with one set of fees will impact on your final balance. It's super easy to do this just by logging on to your super account. [Take action now!](#)

And of course, don't forget the power of compounding interest! Even a little bit contributed, and the earlier on the better, may make a huge difference to your final balance!

* [SMH: Women are more likely than men to own a home](#)

» The information contained in this article does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super advises that REI Super has not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Members should obtain and read the Product Disclosure Statement for REI Super before making any decisions. REI Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 REI Super ABN 76 641 658 449 RSE R1000412 MySuper unique identifier 76641658449129

Your life,
your fund

\$251 271

With REI Super for the
last 15 years*

\$234 684

With the average retail super
fund for the last 15 years*

Compare the
pair and make
the switch.

REI Super has a 40-year history of delivering strong returns,
competitive fees and expert service to all our members.

Switch to your dedicated industry fund today – it's easy.

1300 13 44 33 | reisuper.com.au/join



* Consider a fund's PDS and your objectives, financial situation and needs, which are not accounted for in this information before making an investment decision. Assumes initial salary of \$50,000 and starting account balance of \$50,000. Comparison modelled by SuperRatings, commissioned by ISA Pty Ltd. Modelled outcome shows average difference in the net benefit of REI Super and the retail super funds (Retail super funds include bank owned and other retails) tracked by SuperRatings with a 5 (133 funds), 10 (67 funds) & 15 (44 funds) year performance history to 30 June 2019, taking into account historical earnings and fees of main balanced options. This excludes contribution, exit, insurance fees and additional adviser fees. No adjustments have been made to the figures to take into account the effect of inflation on purchasing power since this time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund. February 2020

REIS 56204



Real Estate Market Facts

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

HOUSE PRICES RISE THROUGHOUT THE COUNTRY OVER THE QUARTER

National Market Snapshot

EXTRACTED FROM REAL ESTATE MARKET FACTS
DECEMBER QUARTER 2019

Fast Facts:

- ▶ Quarterly Australian weighted median house price is \$775,918
- ▶ Quarterly Australian weighted median other dwellings price is \$600,505

Median house prices up:

Hobart	7.8% to \$550,000
Canberra	7.4% to \$705,500
Sydney	5.7% to \$1,142,212
Melbourne	3.7% to \$859,500
Adelaide	2.6% to \$488,400
Perth	2.1% to \$495,000
Brisbane	1.3% to \$542,000
Darwin	0.0% to \$460,065

Median other dwelling prices up:

Sydney	4.3% to \$735,387
Melbourne	3.8% to \$639,000
Darwin	3.7% to \$305,000
Hobart	2.5% to \$405,000
Canberra	1.1% to \$470,000

Median other dwelling prices down:

Perth	-0.8% to \$375,000
Brisbane	-1.7% to \$410,500
Adelaide	-3.0% to \$358,750



Housing Affordability Report

December quarter

Housing affordability declines 2.0% in the December quarter

National Affordability Snapshot

EXTRACTED FROM REIA HOUSING AFFORDABILITY REPORT
DECEMBER QUARTER 2019

	Dec 2019	Sep 2019	Dec 2018
Proportion of family income to meet:			
Home loan repayments	34.7%	32.7%	33.3%
Rent payments	23.6%	23.5%	24.0%

NSW New South Wales had the largest decline in housing affordability (-3.6%)

VIC Victoria has the highest number of first home buyers entering the dwelling market

QLD Queensland rental affordability has remained stable over the past year

SA South Australia has the lowest percentage of first home buyers entering the market (25.6%)

WA Rent as a proportion of family income continues to be the lowest in Western Australia

TAS Tasmania had the largest decline in rental affordability over the past year

NT Northern Territory had the largest decline in rental affordability over the quarter

ACT Australian Capital Territory had the largest increase in the number of new dwelling loans over the quarter (17.6%)



REIA PUBLICATIONS

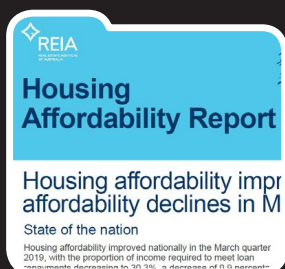
REIA has published property market data and analysis for several decades. It has an excellent reputation as a highly credible source of information and considered opinion on the residential and commercial property markets in Australia.



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.



RELEASE DATES FOR THE 2020 REPORTS ARE AS FOLLOWS:

REIA Housing Affordability Report

- December quarter 2019 – Wednesday 4 March 2020
- March quarter 2020 – Wednesday 3 June 2020
- June quarter 2020 – Wednesday 2 September 2020
- September quarter 2020 – Wednesday 2 December 2020

REIA Real Estate Market Facts

- December quarter 2019 – Wednesday 11 March 2020
- March quarter 2020 – Wednesday 10 June 2020
- June quarter 2020 – Wednesday 9 September 2020
- September quarter 2020 – Wednesday 9 December 2020

Working Remotely

5 Things You Need to Know

Over the years, experts have highlighted [numerous benefits of working from home](#) – from improved work/life balance; reducing traffic congestion and even helping reduce the cost of office rent.

Whatever your reasons are for working from home, or allowing your staff to do so, there are a few boxes you'll want to make sure you're ticking to ensure your employees have the best experience, and prepare your business for some additional complexities having a mobile workforce can bring.

1. You're still responsible for the health and safety of your employees.

Your employees may not be in your office physically, but as long as they're on your payroll, receiving a pay check from you and have been asked to work from home [you have a duty of care](#) 'as reasonably practicable' [to ensure their health and safety](#) while working from home, the same as you would be if they were working in your office. It is therefore, your duty of care to ensure the environment they're working in is safe, set up ergonomically and does not pose a risk to their health and safety.

[Continue reading the full article here.](#)

Aon manages the insurances for over 5000 real estate professionals in Australia. Our team lives and breathes real estate and invests the time required to really get to know your business so we can help protect it. If you would like to discuss your insurance needs with a real estate specialist you can [contact us here](#).




© 2020 Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL no. 241141 (Aon)

This information is intended to provide general insurance related information only. It is not intended to be comprehensive, nor does it, or should it (under any circumstances) be construed as constituting legal advice. You should seek independent legal or other professional advice before acting or relying on any of the content of this information. Before deciding whether a particular product is right for you, please consider the relevant Product Disclosure Statement (if applicable) and full policy terms and conditions available from Aon on request or contact us to speak to an adviser. Aon will not be responsible for any loss, damage, cost or expense you or anyone else incurs in reliance on or use of any information contained in this article.




How is retroactive cover different from run-off cover?

We have the answers

-  Flexible professional indemnity cover limits
-  Claims support team
-  Trusted by industry partners REIQ, REIWA & REIA

Speak to our real estate team about your insurance queries

aon.com.au/realestate
1300 734 274



Don't tough it out on your own

Q&A COVID-19 Questions answered



THE AUSTRALIAN
BANKING ASSOCIATION
HAS PREPARED
A QUICK EASY GUIDE
FOR CUSTOMERS
DURING THE COVID-19
PANDEMIC

1. I've lost my job, or lost hours, as a result of COVID-19, what type of financial hardship relief are banks offering?

Banks are now offering customers the option to defer home loan repayments for up to six months.

Other assistance can include fees waived, loans restructured and further credit offered to get through the pandemic.

2. I'm a small business owner and I've lost a massive chunk of my income, what types of assistance are banks offering?

Australian banks will defer loan repayments for six months for small businesses who need assistance because of COVID-19.

They are also offering loans, including overdrafts, with no repayments for the first six months, at very low interest rates, supported by the Government, through an SME Loan guarantee.

A fast track approval process will provide support as soon as possible.

3. If I get a loan holiday, will I be charged interest during this time?

While you won't have to make any principal or interest payments for the 6 months, interest will continue to be accrued, it can then be paid off over the life of the loan once repayments begin again, or the length of the loan extended. This will be a conversation between you and your bank to determine your preference.

4. If I need financial relief from my financial institution who do I contact and how? (Phone, email, visit branch etc.)


There are many ways to contact your bank to access assistance.

Firstly, online is best either through your bank's website or smart phone app.

Call centres are open and working overtime to help customers, however due to large volumes of calls we ask people to please be patient.

Branches continue to remain open however due to the Government's social distancing measures, it's best to use digital banking if at all possible.

» *article continues*



Don't tough it out on your own

Q&A COVID-19 Questions answered

5. If I am having trouble making payments on loans do I wait for the bank to contact me?

Many banks are contacting their customers directly to see what help they may need. However if you are worried it's very important that customers contact their bank as soon as possible. The earlier you contact your bank the more assistance they will be able to provide.

6. Australians are being told to practice social distancing. Should Australians stay out of branches?

Bank branches remain open to serve customers.

In light of the government's social distancing advice, some branches may limit the number of customers in the branch at one time. Customers should also ensure where possible they have up to date online banking arrangements or an app to conduct their banking business.

Consistent with the government's advice you should not come to a branch:

- if you are experiencing flu like symptoms (cough, fever, shortness of breath); or
- if you have come into close contact or live with someone who has a confirmed case of COVID-19; or
- if you arrived in Australia from overseas after midnight Sunday 15 March; or
- if you have travelled from or through mainland China, South Korea, Iran or Italy in the last 14 days; or
- if you live with someone who has travelled through mainland China, South Korea, Iran or Italy in the last 14 days.

7. Will banks remain open during the COVID-19 crisis? Am I still able to use cash from ATMs and retail outlets during the crisis?

As a result of the Government's social distancing advice, banks are encouraging customers who are able to do their banking online or through their smart phone, should do so.

Branches and ATMs will remain open throughout the pandemic. There may be a limited number of instances where a branch needs to temporarily close, however customers affected will be directed to a branch nearby.

» *article continues*



Don't tough it out on your own

Q&A COVID-19 Questions answered

8. If I don't transact digitally should I be setting this up soon?

If you aren't using your bank's digital options, now is definitely the time to start!

All customers should be getting 'digital ready'. This means if you have a smart phone, download your bank's app and become familiar with how to use it. If you are unsure contact your bank who can help or ask a tech savvy friend to help walk you through it.

Make sure to keep your log-in details and passwords safe and don't share them with anyone.

9. Can I still do banking transactions at the local post office?

Australia Post outlets remain open for customers to use for their daily banking.

10. If I am paying too much on my deals such as home loan, credit cards, personal loans what should I do?

First stop should always be contacting your bank to see what options there may be. All banks have the flexibility to restructure your loans and help if you are in hardship. As always if you are unhappy with the deal that you are being offered by your bank shop around.

11. Will online banking transactions still be done within the same time online as they did prior to the pandemic?

Yes, online banking continues as usual.



Australian
Banking
Association

www.ausbanking.org.au

Link to our COVID-19 page:
www.ausbanking.org.au/covid19

Link to FAQs for small business:
<https://www.ausbanking.org.au/covid-19-relief-faqs/>

AUSTRALIAN TAXATION OFFICE

IMPORTANT CHANGES AFFECTING FOREIGN RESIDENTS SELLING PROPERTY IN AUSTRALIA

Recent changes to the capital gains tax (CGT) laws will affect your foreign resident clients when they sell property in Australia.

On 9 May 2017 the Government announced that Australia's foreign resident CGT regime will be amended to deny foreign residents access to the CGT main residence exemption. This is now law.

Who is affected?

The change applies to individuals who are not Australian tax residents at the time of sale, even if they resided in the property as an Australian resident and it was their main residence prior to the disposal. This includes Australian expats who have left Australia and ceased to be residents. Your client's residency status in earlier income years is not relevant. There is no partial main residence exemption available in these circumstances.

When the change applies

This change applies to disposals of Australian residential property by foreign residents as follows:

- for property held **prior** to 7.30pm on 9 May 2017 – it applies from 1 July 2020
- to all property acquired **at or after** 7.30pm on 9 May 2017.

What this means for your clients

Foreign resident vendors will no longer be entitled to claim the CGT main

residence exemption when they sell residential property in Australia unless certain life events occur within six years of becoming a foreign resident.

Specifically:

- If you (your client) held the property prior to 7.30pm on 9th May 2017, you will be able to claim the CGT main residence exemption for disposals until 30 June 2020, provided you satisfy the other existing requirements for the exemption. For disposals of these properties that happen from 1 July 2020, at the time of the CGT event, you will only be able to claim the CGT main residence exemption if any of the following life events occur within a continuous period of six years of you becoming a foreign resident:
 - either you, your spouse or your child who was under 18 years of age, has a terminal medical condition
 - either your spouse or your child who was under 18 years of age at the time of their death, die
 - the CGT event involves the distribution of assets between you and your spouse because of your divorce, separation or similar maintenance agreement.
- If you (your client) acquired/purchased the property at or after 7.30pm on 9th May 2017, you will not be eligible to claim the CGT main residence exemption on your property from that date unless certain life events (listed above) occur within a continuous period of six years of you becoming a foreign resident.

- If you (your client) are a foreign resident for tax purposes when you die, the changes also apply to:
 - legal personal representatives, trustees and beneficiaries of deceased estates
 - surviving joint tenants
 - special disability trusts.

This also means some foreign residents won't be able to use the CGT main residence exemption as a reason to vary the 12.5% CGT withholding rate. If your client believes the 12.5% withholding rate is not appropriate to their circumstances for another reason, they will need to apply for a variation to the Australian Taxation Office (ATO) as early as possible prior to settlement.

If you or your client is not eligible to claim the CGT main residence exemption, you will need to lodge a tax return and declare any net capital gain and will be entitled to claim a credit for the amount withheld and paid to us.

If you have clients who are foreign residents and are considering selling, or have recently sold their Australian residential property, they may be affected.

We encourage you to let them know about this change.

For more information you or your clients can visit the ATO website at:

- › ato.gov.au/CGTnonresident
- › ato.gov.au/FRCGW
- › ato.gov.au/beneficiariesdeceasedestates

AUSTRALIAN TAXATION OFFICE

MAKE THE MOVE TO MYGOVID AND RAM

AUSkey and Manage ABN Connections will retire on 27 March 2020. You will no longer be able to access the Business Portal and other government services using these, after this date.

In order to access the Business Portal you will need to set up a myGovID and link your business via Relationship Authorisation Manager (RAM).

Resources to help you set up myGovID and RAM

Factsheets

- [Set up your new access to the Business Portal \(myGovID and RAM\) fact sheet](#)

Videos

- [How to link your business in RAM](#)
- [How to create new authorisations using RAM](#)
- [How to import AUSkey users in RAM](#)
- [How to accept an authorisation in RAM](#)
- [How to manage authorisations in RAM](#)
- [How to create new machine credentials in RAM](#)

Information about myGovID and RAM

Websites

- [myGovID](#)
- [Relationship Authorisation Manager](#)

Video

- [Business experiences with myGovID and RAM](#)

Frequently asked questions

- [Need Help - myGovID](#)
- [Help - Relationship Authorisation Manager](#)

How can I fix error codes

- [myGovID - What if I receive an error message "systems error"?](#)
- [myGovID - Where can I go or who can I talk to for additional support?](#)
- [RAM - Where to go for additional help or support?](#)

You can also ask us questions on [ATO community](#) for assistance with myGovID and RAM error codes.

CHANGES TO REQUESTS FOR URGENT PROCESSING OF ATO CLEARANCE CERTIFICATES

It is important to remember that a [clearance certificate](#) is required when your Australian resident clients are selling a property. If a clearance certificate is not provided, the purchaser is required to withhold 12.5% of the purchase price on properties that have a market value of \$750,000 or more.

Your clients, or you on their behalf, should lodge the [online form](#) as early as possible. Forms can be lodged before contracts are signed and they are valid for 12 months from the date the ATO receives the application.

Most applications automatically process and as long as a correct email address is provided, the certificate is emailed at 8pm Canberra time that day. Emails can end up in your Junk or Spam folders so make sure you check those to find the emails. Individual vendors can access copies of their issued certificates from myGov, [ATO online](#) in their **My Profile, Communication History** view.

Some applications cannot be automatically processed for a variety of reasons and when this occurs the application needs to be manually processed by an ATO staff member. Most applications that require manual processing are approved and completed within 5 business days. However, the complexity of the applicant's circumstances and competing ATO workloads can impact that timeframe being met.

The ATO has published service standards for the work it receives and these are used to prioritise all workloads. The published service standard for clearance certificates is 28 days. Higher risk and unusual cases may also require greater manual intervention, which could take longer.

If you lodge your application close to the settlement date, we cannot guarantee we can process it by the settlement date as we will not disadvantage those other applicants who applied earlier by delaying their application to process yours.

Some applications are not approved and your client may need to apply for a [variation](#) instead. Variation applications all require manual processing and these take up to 28 days.

To avoid delays to settlements or having amounts withheld at settlement, lodge clearance certificate applications as early as possible. If you need to follow up, allow at least 6 business days after lodgement before calling the ATO as we expect to be in a position to provide you with an update on your application at that stage.

INDUSTRY UPDATE

Industry news from around Australia



RTA in Focus: rent increases

This article is part of the *RTA in Focus* series. With a raft of reforms to the residential tenancies framework set to start on 23 March 2020, we're giving you the information you need to ensure you understand your obligations.

You can access all the articles in the *RTA in Focus* series [here](#).

Landlords can now only increase the rent once in any 12-month period in the case of periodic agreements.

One of the changes to the residential tenancies framework that has generated negative comments from landlords and property managers alike relates to the limitation of rent increases for periodic agreements.

Kellie Eagles, Property Management Director at Elders Queanbeyan/Jerrabomberra and Deputy Chair of the REINSW Property Management Chapter Committee, explained that REINSW lobbied strongly against the limitation.

"Where a landlord is fortunate enough to find themselves in a market where vacancies are tight and rents are rising, they should be entitled to maximise the return on their investment by increasing rents to meet the market," she said.

Property managers need to understand when they can and can't apply rent increases on behalf of their landlords, and the notice period that applies

depending on whether a fixed term or periodic agreement is in place.

What was required prior to 23 March 2020?

[Section 41](#) of the *Residential Tenancies Act 2010* (NSW) previously set out that the rent payable under a residential tenancy agreement could only be increased where the landlord (or the landlord's agent) provided 60 days' written notice to the tenant. That notice had to specify the amount of the increased rent and the date from which it was payable. This was the case whether the increase occurred during the term of the agreement or upon renewal.

In the case of a fixed term agreement for less than two years, [section 42\(1\)](#) specified that the rent could only be increased if the agreement so provides. Notwithstanding that the increase was specified in the agreement, 60 days' written notice still had to be given in accordance with [section 41\(1\)](#).

Where the fixed term was more than two years, increases were limited to once every 12 months and the lease did not need to specify the increased rent or method of calculation (see [section 42\(2\)](#)).

What's changed?

A new section 41(1A) has been inserted into the *Residential Tenancies Act*, removing the notice period where a rent increase is specified in a fixed term agreement of less than two years.

Previously, 60 days' notice was required, notwithstanding that the timing and amount of the increase were set out in the agreement and the tenant knew of that increase upon signing.

Moving forward, in accordance with the new section 41(1A), 60 days' notice will no longer be required where the increase is set out in a fixed term agreement of less than two years, where the date and amount of the increase is specified.

A new section 41(1B) has also been inserted into the *Residential Tenancies Act*, limiting the number of rent increases in the case of periodic agreements to only once in any 12-month period.

The amendments in practice

Kellie welcomed the addition of the new section 41(1A) as it provides guidance as to how the section operates overall in practice.

"This amendment clarifies the notice period required for rent increases where a fixed term agreement is in place," she said. "Sixty days' notice is no longer required where the increase is specified in a fixed term agreement of less than two years.

"But when it comes to renewals, the landlord or landlord's agent must still comply with the requirements of section 41(1) and provide the tenant with 60 days' written notice of any rent increase before the agreement is renewed."

However, in the case of the new section 41(1B), Kellie said that the placement of an

INDUSTRY UPDATE

Industry news from around Australia



» *continued*

arbitrary limitation on rental increases is disappointing and fundamentally flawed.

“It’s wrong to impose restrictions on rental increases that inhibit a landlord’s right to use market conditions to dictate the rent they can receive for their property,” she said. “Market value should determine rents.

“The amendment will also prevent landlords from bringing rent to a market level in a gentle and incremental manner. Tenants may be hit with significant increases because landlords are prevented from gradual increases throughout the year in response to changing market conditions.”

According to Kellie, the amendment could potentially have the adverse consequence of inhibiting a landlord’s ability to improve the premises, both of their own volition or at the request of the tenant.

She gave the example of a tenant on a periodic tenancy requesting the installation of air-conditioning.

“If the rent was increased just three months prior to the request, the landlord may well reject the request on the basis that they have no way of recouping the cost of the improvement because they can’t increase the rent for at least another nine months,” she said.

“And what if the tenant is willing to accept a rental increase to have the benefit of air-conditioning? Surely the landlord and tenant should be able to come to a mutual agreement regarding an increase.

“The upshot is that there will be landlords who will hold off on making improvements until such time as they can increase the rent.”

Kellie advised property managers to discuss timing with landlords when they are considering whether to make improvements to the premises.

“It’s important that landlords are aware of when they can start recouping the costs associated with an improvement through an increase in the rent charged. If they can’t make an increase for up to a year, it may well influence their decision about whether to move forward with that improvement.”

Useful links

- [Residential Tenancies Act 2010 \(NSW\)](#)
- [Residential Tenancies Amendment \(Review\) Act 2018 \(NSW\)](#)
- [Residential Tenancies Regulation 2019 \(NSW\)](#)

Source: The Real Estate Institute of New South Wales

REINSW requests government to waive land tax during COVID-19 crisis

Tenants and Landlords of Commercial property could be saved if the State Government waives land tax during the COVID-19 crisis.

The adverse impact of COVID-19 is being felt equally in the commercial and residential property market.

“The financial hardship caused by COVID-19 is adversely affecting both Landlords and Tenants, accordingly – both urgently require assistance. Whether a Tenant can pay their rent or not, outgoings are still payable by the Landlord, despite the crisis,” says Tim McKibbin, REINSW CEO.

“The single biggest impost of income producing property is land tax. Paying land tax, even in good times is difficult, in the current crisis, for many it’s impossible. Let there be no doubt, the Landlord must pay land tax whether it has a Tenant paying rent or not,” says McKibbin.

It is a fallacy that all Commercial Landlords are monstrous and faceless Corporations. Nothing could be further from the truth – the majority are Mum and Dad investors who are heavily reliant on the rental income to pay their expenses. Despite this financial dependency, Landlords are acutely aware of the plight of their Tenants and have reduced the rent, partly on compassionate grounds and partly commercial. Landlords are wanting their tenants to get through this difficulty and emerge with the viable business they had and paying the agreed rent.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia



» continued

Note: the table sets out a typical rent reduction negotiated outcome.

Current rent per month	Rent reduction	New rent per month	Outgoings per month
\$19,356.33	80%	\$3,871.27	\$9,140.71
\$10,635.68	80%	\$2,127.14	\$4,683.54
\$9,402.56	80%	\$1,880.51	\$4,567.61
\$28,030.28	80%	\$5,606.06	\$9,137.97
\$19,887.59	67%	\$6,630.52	\$349.82

Landlords having to reduce rents to accommodate the financial capacity of Tenants, means that the Landlord's outgoings are regularly in excess of the rent received.

The Prime Minister has made it clear on numerous occasions that every stakeholder would be expected to carry some of the burden; clearly both the Tenant and Landlord are doing more than their fair share. In all the circumstances it is appropriate that the NSW State Government step forward and waive land tax for the next twelve months.

To demand industry to do its bit while refusing to shoulder any of the load is unconscionable.

Source: Real Estate Institute of New South Wales

West Australians to benefit from latest relief package, but stamp duty needs to be reviewed

REIWA congratulates the WA Government on their recent announcement to help home owners from falling behind on their payments and ensuring they have a roof over their head during the coronavirus outbreak.

As part of this relief package, households that are impacted by coronavirus can apply for an interest free payment arrangement and for late payment penalties to be waived for stamp duty, landholder duty or land tax.

In addition, payroll tax will be waived for a four-month for small to medium sized businesses with Australia-wide annual wages of less than \$7.5 million in 2019-20 which will help many agencies in Western Australia who are struggling in this current environment.

REIWA President Damian Collins said the package was a positive step for the state, however it won't make enough impact to help boost the real estate industry.

"We are urging the government to consider introducing a 75 per cent stamp duty reduction for six months on all properties, to encourage transactions to help those who need to sell and keep small business alive," Mr Collins said.

"Simply deferring a payment doesn't make it more affordable and will only spread the cost over a longer period, whereas a short-term stamp duty concession or rebate of 75 per cent will make buying property much more attractive safeguarding thousands of jobs including, mortgage brokers, removalists, settlement agents and tradespeople."

There is a strong risk that transactions may drop significantly which will put thousands of people out of work. A short-term relief package will encourage people to continue buying and selling and keep small business going.

"In addition, for those people who will need to sell their homes, they will need a buyer at the other end. Without this short-term incentive there may not be many buyers in the market, which could be a double blow to those who need to sell," Mr Collins said.

Source: Real Estate Institute of Western Australia

POLITICAL WATCH

Information and news from government



National Housing Finance and Investment Corporation (NHFIC)

First Home Loan Deposit Scheme Update

The Australian Government's First Home Loan Deposit Scheme started on 1 January 2020 with 10,000 Scheme places released for this financial year through the National Housing Finance and Investment Corporation (NHFIC). Another 10,000 Scheme places will be released from July 2020.

5,000 Scheme places were made available to the major banks – CBA and NAB – all of which are now currently reserved. However, first home buyers can continue to engage with the major banks and their brokers as the reserved places may become available if applicants do not proceed to purchasing a property.

The remaining 5,000 Scheme places for the current financial year are being offered through 25 non-major lenders. Most of these Scheme places are still available to be reserved by potential first home buyers.

A list of participating lenders can be found [here](#).

A list of [Frequently Asked Questions](#) (FAQs) about the Scheme can be found on the NHFIC website.

We have updated the FAQs and included a question that has been asked recently by both mortgage brokers and first home buyers: *Can I transfer my reserved*

Scheme place between participating lenders? Please see FAQ 3.5 [here](#).

NHFIC has produced a range of materials to support participating lenders, brokers and first home buyers to understand and engage with the Scheme.

You can find links to these documents below and on our [website](#) including online tools to assist prospective first home buyers determine their potential [eligibility](#) and identify the relevant [property price threshold](#) that will apply to any potential purchases. Follow us on [Twitter](#) for latest updates on the Scheme.

Scheme documents for downloading:

[Download the Scheme Fact Sheet](#)

[Download the Borrower eligibility checklist - Singles](#)

[Download the Borrower eligibility checklist - Couples](#)

[Download the Scheme Statutory Declaration Form](#)

[Download the Information for Mortgage Brokers](#)

[Subscribe to receive updates](#)

[Visit our website for more information](#)

Residential property prices rise 3.9 per cent

Price rises in Sydney and Melbourne drove a 3.9 per cent rise in residential property prices in the December quarter 2019, according to figures released recently by the Australian Bureau of Statistics (ABS).

Residential property prices rose 4.7 per cent in Sydney and 5.2 per cent in Melbourne, with both cities recording a second consecutive quarter of strong growth. Prices rose in all capital cities except Darwin.

House prices rose 5.2 per cent in Sydney and 5.5 per cent in Melbourne, while attached dwelling prices rose 3.8 per cent in Sydney and 4.3 per cent in Melbourne.

ABS Chief Economist Bruce Hockman said, "While Australia's two largest cities continued to lead the rise in property prices, the turnaround in the housing market has spread to all other cities except Darwin".

Residential property prices rose 2.5 per cent in the year to the December quarter 2019, with rises in all capital cities except Perth and Darwin.

"Results are consistent with other housing market indicators, including new lending commitments to households and sales transactions, which have been rising over several months", said Mr Hockman.

POLITICAL WATCH

Information and news from government



» *continued*

The total value of Australia's 10.4 million residential dwellings rose by \$294.4 billion to \$7,212.6 billion in the December quarter 2019, the largest rise since the commencement of the series in the September quarter 2011. The mean price of residential dwellings in Australia is now \$691,000.

Further details can be found in [Residential Property Price Indexes: Eight Capital Cities \(cat. no. 6416.0\)](#), available for free download from the ABS website: <https://www.abs.gov.au>.

Source: Australian Bureau of Statistics

Dwelling approvals rise in February

The number of dwellings approved rose 1.0 per cent in February, in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

"The rise was driven by private sector dwellings excluding houses, which rose 1.6 per cent, in trend terms," said Daniel Rossi, Director of Construction Statistics at the ABS. "A significant rise in the number of apartments approved in February has offset the weakness recorded in January. Private sector houses also rose 0.6 per cent".

Across the states and territories, dwelling approvals rose in Victoria (3.9 per cent) and Queensland (0.4 per cent). Falls were recorded in the Australian Capital Territory (7.7 per cent), Northern Territory (5.3 per cent), South Australia (2.6 per

cent), Western Australia (2.0 per cent) and New South Wales (0.1 per cent), in trend terms, while Tasmania was flat.

Approvals for private sector houses increased in Western Australia (1.0 per cent), Victoria (0.9 per cent), Queensland (0.6 per cent) and New South Wales (0.2 per cent), in trend terms, while South Australia was flat.

The seasonally adjusted estimate for total dwellings approved rose 19.9 per cent in February, driven by a 61.7 per cent increase in private dwellings excluding houses. This was largely due to strength in approvals for apartments in Victoria, which came off a low base in January.

The value of total building approved rose 0.6 per cent in February, in trend terms, and has risen for three months. The value of residential building rose 0.9 per cent, while non-residential building increased 0.1 per cent.

Source: Australian Bureau of Statistics

New loan commitments for housing declined in February

The value of new loan commitments for housing fell 1.7 per cent in February, seasonally adjusted, according to the latest Australian Bureau of Statistics figures.

ABS Chief Economist, Bruce Hockman, said: "February's fall in the value of new loan commitments for housing follows considerable growth in the series from mid-2019 onwards. New loan commitments for

both owner occupier housing and investor housing were down this month, falling 1.7 per cent and 1.9 per cent respectively."

The number of new loan commitments for owner occupier first home buyers rose 0.4 per cent in February following January's rise of 0.5 per cent. The number of owner occupier first home buyer loan commitments were up 19.4 per cent on February 2019 with increases for all but two months over the year.

The value of new loan commitments for fixed term personal finance fell 0.5 per cent in February following a 2.1 per cent rise in January and were up 10.1 per cent on February 2019.

In trend terms, the value of new loan commitments to businesses for construction fell 1.6 per cent in February, while the value of new loan commitments to businesses for the purchase of property rose 1.3 per cent.

There was no notable impact of the COVID-19 virus on new lending commitments for February 2020. The reference period for Lending Indicators fell at a point where there was only a relatively low number of confirmed COVID-19 cases within Australia and before it was declared a global pandemic. The ABS appreciates the support of APRA and lending institutions in continuing to provide the data used to compile this publication.

Source: Australian Bureau of Statistics



COVID-19: AN IMPORTANT MESSAGE FROM OUR WORLD PRESIDENT

During this extraordinary time, our thoughts are with all those around the world affected by the COVID-19 outbreak. This crisis has affected all of us in an unprecedented way and thus require equally unprecedented efforts from us to cope with its serious consequences.

Now, more than ever, we need to come together to overcome this human tragedy. It is important that we follow the guidance from the World Health Organization (WHO) as well as national and public health authorities, in order to reduce the spread of the virus. Thank you to all frontline workers and ordinary people going out of their ways to help their community.

As for FIABCI, the health, safety and wellbeing of our community is and will always be our prime concern; therefore, we have adopted important measures to practice social distancing in order to minimize contact with other people as well as to carry on our mission.

For you, for your loved ones and for all of us: please stay home and stay safe.

Walid Moussa

FIABCI WORLD PRESIDENT

THE WORLD

Property news from around the world



Government to charge overseas buyers 2% stamp duty surcharge – reaction

The government will introduce a 2% stamp duty surcharge for non-UK buyers from April 2021, the Chancellor confirmed in the recent Budget.

While a number of property professionals are disappointed with this change, it's expected to fuel stronger activity before it comes into force in April next year.

Fraser Slater, chief executive of real estate consultant Ludgrove Property, was among the most critical of the move.

He said: "Johnson, Raab and Javid all pointed to a stamp duty cut in their leadership campaigns but sadly political point scoring was more important.

"No doubt there will be an uptick in purchases by overseas buyers ahead of the introduction of the tax in April 2021.

"Thereafter unless the underlying rates are changed, global talent will be looking elsewhere for a home."

Jason Rishover, chief executive of developer Heronslea Group, said: "We were disappointed that, yet again, stamp duty was not addressed, other than the new surcharge of 2% for non-residents, as it remains a thorn in the housing market's side and needs a complete overhaul."

Janet Armstrong-Fox, partner and head of private client property at law firm Collyer Bristow LLP, said: "Any overseas buyer will almost certainly already be paying the extra 3% SDLT that the purchase of any second home attracts, so the additional 2% as an overseas buyer will be a further disincentive to invest here.

"After a short-term flurry of activity before April 2021, the 2% overseas buyer surcharge will have a detrimental effect on the London property market in particular with the knock-on effect of deterring overseas interest in the UK at a time when the UK needs to be seen as very much open to the world for investment and trade."

Not everyone was negative about this change however.

Greg O'Reilly, vice president – senior analyst at Moody's, said: "The 2% stamp duty surcharge on overseas borrowers, to be applied from next year, is credit positive in the long term for UK buy-to-let RMBS because it will reduce the supply of new properties in big city areas that are typically used for buy-to-let, thereby supporting rents.

"Foreign buyers make up a disproportionate contribution to new-builds, and tend to concentrate purchases on flats in city centres. Supply of new builds will decline because funds from overseas investors will fall."

Some think investors will be able to swallow this extra cost.

Patrick Alvarado, director of Knightsbridge estate agency Nicolas Van Patrick, said: "Many foreign buyers purchasing in other currencies will be able to absorb this extra 2% within the foreign exchange currency trade and still benefit from the downward correction in prices since the peak back in 2014.

"We still feel that London property compared to other global cities looks fair value and those buyers wanting to proceed can still do so before the 2% surcharge comes into effect in April 2021."

Source: *PropertyWire.com*



Coronavirus causing slump in sales and viewings

Sales and viewings through online estate agents are falling considerably now the coronavirus outbreak worsened, data from online estate agency Doorsteps indicates.

Its daily sales have fallen by 77% from the first week of March to the third, while there's been a 51% drop in daily bookings for viewing properties.

Akshay Ruparelia, managing director, said: "We are just trying to stay very lean and focus on getting through it.

THE WORLD

Property news from around the world



» *continued*

“Demand to sell properties is not going to change, it’s just deferred, so when things pick up we could have a great few months.

“It’s about weathering the storm.”

He added that he feels lucky the firm is in its fourth year and has good volumes, while he is looking to retain staff during this difficult period.

Doorsteps suggested the situation is particularly bleak in London, where there’s been a 90.89% fall in property sales from the first week of March to this week.

Source: *PropertyWire.com*



House prices expected to fall due to COVID-19

House prices will fall due to fallout from the COVID-19 pandemic, according to some experts.

Ray Boulger, senior technical manager of broker John Charcol, predicted house prices to tumble by 10% over the next three months.

Boulger said transactions should be even lower than in 2009 after the global financial crisis, as economic uncertainty dissuades people from moving and surveyors have the practical problem of visiting homes to prepare a mortgage valuation.

He reckoned the March Nationwide House Price Index (yet to be published) will represent house prices at their peak.

Some are more pessimistic, as financial services group Jefferies said house prices could fall by 20% this year in a worst case scenario, as the Mail on Sunday reported.

However not everybody agrees, at least publicly.

A spokeswoman from agent UK Sotheby’s International Realty claimed: “Covid-19 won’t lower prices; it’s just simply stalled some sales for now.

“But it is a great time to consider buying... before the market starts again from where it left off. If you are thinking of moving, don’t wait; really don’t.

“Housing will get more expensive this year eventually. Now is a great time to buy and with our video viewings, we can do that from the comfort and safety of your home.”

Source: *PropertyWire.com*



Positive Nationwide house price figures like a ‘surrealist manifesto’

Nationwide’s house price index was dubbed a ‘surrealist manifesto’ yesterday (2 April), given that it reflected the state of the market before the coronavirus outbreak put the brakes on activity.

In March property prices grew by 0.8% month-on-month and 3.0% year-on-year to bring the average up to £219,583.

Jonathan Samuels, chief executive of the property lender, Octane Capital, said: “To even be talking about bricks and mortar in the current climate feels absurd.

“It’s as if the headline figures from the March house price index were plucked from a surrealist manifesto.

“The Nationwide rightly acknowledge that the figures are largely irrelevant given the impact of Covid-19.

“The hope is that the government’s comprehensive support measures will lessen the impact of the pandemic on both the economy and property market when we pull through the other side.

“For now, the property market, like the economy, has gone into lockdown but a strong rebound is not out of the question when this terrible pandemic is over.”

Robert Gardner, chief economist of Nationwide, said: “It is important to note that, while we use a full month’s worth of data to generate the index, the cut-off point is slightly before the end of the month.

“This means that developments following the UK government’s lockdown will not be reflected in these figures.

“In the opening months of 2020, before the pandemic struck the

» *article continues*

THE WORLD

Property news from around the world



» *continued*

UK, the housing market had been steadily gathering momentum.

“Activity levels and price growth were edging up thanks to continued robust labour market conditions, low borrowing costs and a more stable political backdrop following the general election.”

House price growth across northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands), remained ahead of that in the south (London, Outer Metropolitan, Outer South East and East Anglia).

Wales was the strongest performing region in the first quarter of 2020, with annual price growth picking up to 6.4%.

Tomer Aboody, director of property lender MT Finance, said: “April’s numbers are likely to show a decline in prices owing to Covid-19. But again, as with any price falls, these usually happen because transaction numbers are down, with only those sales going ahead that really need to.

“Our experience is that buyers are still exchanging at prices agreed.

This suggests that there is no lack of funding, unlike 2008, so if transactions are delayed or abandoned it will not be because of liquidity issues.”

Iain McKenzie, chief executive of The Guild of Property Professionals, said:

“While transactions will be hit hard during the next few months, it will be

temporary. Looking at data from China, although transactions ground to a halt during the early stages of the outbreak, their property market is once again gaining traction and transactions are increasing.

“A similar trend occurred in Hong Kong during the 2003 SARS outbreak; transactions fell by as much as 72% as people avoided each other, however, in the aftermath of the epidemic, transactions quickly recovered.

“As demand is linked to pricing, we will likely see a similar pattern of house prices decreasing over the next few months and then recovering once we have conquered the coronavirus and restrictions have lifted.”

Source: PropertyWire.com

REIANEWS

IS A PUBLICATION BROUGHT TO YOU BY THE REAL
ESTATE INSTITUTE OF AUSTRALIA. FOR FURTHER
INFORMATION ABOUT ADVERTISING, PLEASE
CONTACT REIA ON 02 6282 4277
OR AT REIA@REIA.COM.AU

16 THESIGER COURT, DEAKIN ACT 2600
02 6282 4277 | WWW.REIA.ASN.AU