

# REIANEWS

ISSUE 99: JULY 2020



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FOR FURTHER INFORMATION.



# PRESIDENT'S REPORT

Mr Adrian Kelly  
REIA President



## WELCOME FROM REIA'S PRESIDENT

Welcome to the July edition of REIA NEWS.

Last month I was optimistic that we may have turned the corner with the Coronavirus and its impact on our lives, businesses and the broader economy. Unfortunately this wasn't to be with outbreaks in NSW and VIC again impacting on the way real estate agents and their clients undertake activities.

In the June edition I outlined a submission REIA with the assistance of its member state and territory Real Estate Institutes made to the Commonwealth Treasury on measures that will support the real estate industry post September when the current assistance measures of JobKeeper and JobSeeker are scheduled to cease. The extension of JobKeeper and JobSeeker were identified as the two main areas of support required. The REIA was thus very pleased that the Government has announced the extension of the JobKeeper and JobSeeker payments beyond September as part of its July Mini Budget.

JobKeeper has kept many employed in the real estate sector. Many of these employees have been engaged in providing the essential service of keeping tenants housed during the pandemic.

With some 3.3 million properties that are rented or available for rent across Australia the extension of JobKeeper and JobSeeker will do much to ease the stress and anxiety that many tenants are feeling at this time. Many of these are rented by people who have lost their jobs in industries that will be slow to recover.

Property managers have been the unsung heroes of the pandemic, working at the coalface and dealing with issues around tenants and property owners who have also lost their jobs. The extraordinary efforts of property managers during these trying times has been recognised by holding the inaugural National Property Manager's Day on 24th July, an initiative by the REINSW and supported by the state and territory Real Estate Institutes. Tim McKibbin, CEO of the REINSW has an article in this month's REIA News which outlines these activities.

This month also saw the release of Supporting the road to recovery, the Draft Report of the independent NSW Review of Federal Financial Relations ("Thodey Report"). The report notes that "There is a strong case for reforming the GST and reducing our reliance on more harmful

taxes, while re-directing a portion of revenue to lower income households so they do not bear the burden of reform' and it is 'time for state and Commonwealth governments to agree to options for reforming our 20-year-old GST and scaling back inefficient taxes' including stamp duty on property transactions.

Taxes are one of the factors determining investment in housing and thus housing supply and housing affordability. The housing sector is one of the most heavily taxed sectors of the Australian economy, both in absolute and relative terms. There are many earlier studies that reinforce the findings of this report that abolition of the inefficient tax of stamp duty will bring economic and social benefits including assisting affordability by reducing the transaction costs of buying property.

Ray Ellis, CEO of First National and REIA Board member discusses stamp duty in this edition of REIA News.

With REIA continuing to make frequent statements on the evolving situation I would, again, like to recommend that you go to <https://reia.asn.au/media/media-releases/> to find out about the latest developments. I'd also recommend that you visit [www.Australia.gov.au](http://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.

**Mr Adrian Kelly**  
REIA PRESIDENT



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# REAL ESTATE INSTITUTES HONOUR PROPERTY MANAGERS



**‘Unsung heroes’ of the pandemic to be celebrated at National Property Managers Day, says REIA president Adrian Kelly.**

## **Adrian Kelly, President, REIA**

*Photo: REIA*

They have been the middle man, or woman, in a sensitive situation, where on one side they are dealing with a tenant who may have lost their job and on the other, a landlord who needs the rent money to pay their mortgage.

Property managers, throughout the pandemic have become the ‘unsung heroes’, according to REIA’s president, Adrian Kelly, as they negotiate with all parties.

For this reason the REIA said they are excited to support the launching of the inaugural National Property Manager’s Day, an initiative by the REINSW and supported by the state and territory Real Estate Institutes.

At a Glance:

- Property Managers day is an initiative by REINSW.
- The day will be held on 24th July to recognise the efforts of property managers nationwide throughout the pandemic.
- Campaign will be promoted using the hashtag #nationalpropertymanagersday

The event will take place on 24th July 2020 and will be a day to recognise the amazing efforts of the residential and commercial property managers across Australia during the COVID-19 pandemic.

“Property managers (are) working at the coalface and dealing with issues around tenants and property owners who have also lost their jobs” said Mr Kelly.

“The property managers are the ones who have worked in the background to find solutions as best they can in the current environment.

“This work is continuing as the pandemic is still prolific and especially as the non-eviction period comes to an end.

“Property managers are the backbone to many estate agency businesses, the quiet achievers who work very hard every day in an environment where every minute of the day counts, looking after tenants just as much as property owners.”

*Article kindly supplied by  
The Real Estate Conversation*

» *article continues*

## REAL ESTATE INSTITUTES HONOUR PROPERTY MANAGERS

» *continued*



### **Tim McKibbin, CEO, REINSW**

*Photo: REINSW*

REINSW CEO Tim McKibbin told Williams Media it is no secret that property managers were thrust, with very little warning, into the problems created by COVID-19.

“They have had to manage the landlord/tenant relationship and process numerous applications for rental relief,” said Mr McKibbin.

“They are the doctors and nurses of property.

Mr McKibbin said their biggest hurdle has been the increased workload which includes processing claims for relief, extracting documentation to support the claim, negotiations and dealing with the NSW Civil and Administrative Tribunal.

“All of this on top of the business as usual work which is also inherently demanding,” said Mr McKibbin.

REIACT President, Michael Kumm, on behalf of the REIACT Board, wanted to acknowledge and thank all of their Property Managers for their outstanding commitment and dedication to ensuring great outcomes for all parties involved in rent assistance requests during the COVID pandemic.

“Agency principals understand the importance of this work and, at times, the thankless job their property managers undertake day in and day out,” said Mr Kumm.

“To be able to now recognise their contribution on a National Day

for Property Managers is a great gesture of thanks to them all.

“The Institute will be asking members to celebrate with a morning or afternoon tea in honour of the property managers on the 24th July.”

» *article continues*

## REAL ESTATE INSTITUTES HONOUR PROPERTY MANAGERS

» *continued*



### **Leah Calnan, President REIV**

*Photo: REIV*

Leah Calnan, President REIV said Covid19 has delivered challenges to us all in different ways.

“As the current REIV President, I am very proud to have seen the professionalism, strong resilience and a “can do attitude” by both commercial and residential property managers over the past few months,” said Ms Calnan.

“They had to immediately learn new government legislation, manage rent reduction requests, commence negotiations with owners and tenants and process more paperwork than ever before.

“They all appreciate the key role they have played throughout this period.

“National Property Manager Day will allow for their colleagues, owner and tenants to acknowledge and recognise all of their hard work during these very difficult times.”



### **Damian Collins, President, REIWA**

*Photo: REIWA*

REIWA President Damian Collins said National Property Managers Day gives them a chance to formerly say “thank you” to residential and commercial property managers for their consistent commitment to the real estate industry before and during the COVID-19 pandemic.

“The pandemic was a stressful time for everyone and continues to be, especially in the rental market where tenants and landlords were facing financial hardship,” said Mr Collins.

“The role that property managers played during this time meant that there could be a fair solution for both tenants and landlords.

“Agencies from all over Australia should join the REI’s in showing support and appreciation to all property managers.”

The campaign will be promoted using the hashtag #nationalpropertymanagersday

<https://www.therealestateconversation.com.au/>



# REIA MEDIA RELEASES



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View REIA Media Releases [here](#)



# WINNERS & LOSERS IN THE STAMP DUTY SQUABBLE

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



**Stamp duty, the budgetary sugar-hit created by the transfer duty levied on real estate purchases, is something that state and territory governments have become addicted to. Billions of dollars flow into government coffers annually, and those inflows have increased exponentially on the back of decades of rising house prices.**

Long criticised by economists for its inefficiency, stamp duty is a concentrated tax that falls on a small section of the population and it's quite inequitable. For example, buyers in Sydney's east pay much more than those in the west or New South Wales' regions. It's also a highly volatile tax that ebbs and flows with the property market's cycles, which are affected by elections, impacts on global economic confidence, and pandemics such as COVID-19. Such swings in revenue make it challenging for governments to budget and plan infrastructure investment wisely and, once again, the question is being asked; should we say 'yes' or 'no' to stamp duty?

As a tax promised to be dropped when the GST was introduced, the stamp duty reform debate has centred on how a more efficient tax might be achieved; one which treats all Australians more fairly and leads to greater economic productivity. The solution is regarded as a broad-

based land tax that would apply to all real estate, including the family home for the very first time.

Although no definitive proposal is on the table, economists anticipate that homebuyers may be given a choice between opting-in to pay land tax annually, or, paying a transfer duty at the time of purchase, or the GST may simply have to be increased, which could be argued would make all Australians the losers.

So, who would the winners and losers be if stamp duty were replaced with an all-encompassing land tax?

First homebuyers (FHBs) would certainly be beneficiaries because they wouldn't need to save as much cash to buy their first home. However, older Australians such as 'empty nesters' and young families would also benefit – the former because the disincentive and expense of downsizing to replace larger, maintenance-intensive homes would be taken away, and the latter



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## WINNERS & LOSERS IN THE STAMP DUTY SQUABBLE

» *continued*

because the nation's larger homes with bigger backyards would be freed up for growing families who are desperate to upsize, but can't access the housing stock currently locked up by older generations.

However, the first and most vulnerable Australians on the losing side of the equation would be asset-rich but cash-poor senior citizens. Often elderly or disabled, these are the people who budget carefully so they can stay in their much-loved homes, near to family, friends and essential amenities. Millions of Australians, including this group, would be required to pay bills annually that are the equivalent of council rates, or potentially much more. Let's not forget as well that these people already paid stamp duty when they bought their homes. Would such Australians be double-taxed, or potentially forced to sell? Many would certainly be compelled to explore the complicated path of reverse mortgages, with all their inherent risks.

In Victoria, Stamp duty provides the government with \$6 billion of revenue annually. If axed, every Victorian homeowner would need to pay \$4,000 in land tax to make up the shortfall. In the ACT, which is in the process of replacing stamp duty with land tax, households and particularly unit owners are facing rate increases far in excess of inflation.

Yet another concern for all Australian governments is that a broad-based land tax, paid annually, would lead to a sudden fiscal shortfall just when significant investment in COVID-19 recovery programmes is needed.

It's of course essential to consider tax reform but Australia needs to ask the question; would exchanging stamp duty for land tax be good policy, or merely a contemporary reaction to the nation's COVID-19 crisis? With billions of dollars at stake, our country needs to be sure that the policies it chooses today will be even better for tomorrow.



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When was the last  
time your super was...



Super's a lot like property – the more attention you give it, the more likely it will grow.



Below are 4 simple things you can do today that could help improve your super and make a noticeable difference to how you retire.

## 1 Check your contact details

It doesn't sound important, but if you can't be contacted when legislation changes, you might miss out on important information.

When it comes to email addresses, our tip is to supply your personal email address, rather than your work email, that way your super fund can continue communicating with you even when you move jobs. Login into your account and [update your details](#) and communication preferences.

## 2 Investment option right for you?

You should choose where your money is invested, and be comfortable with your level of risk.

Tools such as [risk profile quizzes](#) will help you understand which investment options might be right for you and your circumstances.

We understand it's a volatile time for financial markets at the moment, but try not to panic and remember what goes down must come up. Call our helpline 1300 13 44 33. They can help you select investment options that you are comfortable with.

Did you know one of the ways REI Super supports the real estate industry is by investing in unlisted properties? Unlisted property assets are those investment assets that are

not included in portfolios listed on the stock exchange. They are generally not readily available to individual investors. Read REI Super's latest [unlisted property investment update](#).

## 3 Give your super a boost

Things might be challenging now, however as your situation changes you might want to consider [boosting your super](#) by making extra contributions. Whether you make a before or after-tax contribution, any amount can make a big difference to your retirement.

## 4 Are you properly covered?

As life changes, it's important to regularly review your insurance to ensure that you still have the [right level of cover](#).

When was the last  
time your super was...



» continued



Most super funds usually provide Death, Total & Permanent Disability (TPD) and Income Insurance cover. REI Super services the real estate industry by offering a unique [Income Protection Insurance](#) type which caters for the predominantly commission based industry.

If you have accessed your super early, and your balance is now less than \$6,000, or has been inactive for 16 months it is likely that you have lost your insurance. Check your account status today, and if you want your [insurance cover](#) to remain ensure that you opt-in to keep your cover.

**Getting on top of your super is really important. So, as we start to reopen our businesses and lives, take some time to review your super account. A few small changes now can make a big difference to your future.**

**Not a member of REI Super? It's easy to [switch](#) to REI Super, now anyone can join.**

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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.



## 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

# WGEA REPORT



31 July is the WGEA  
compliance report deadline  
Visit <https://www.wgea.gov.au/reporting>



**The deadline for WGEA reporting is fast approaching. Has your organisation submitted their compliance report yet? Make sure to submit by 31 July! You can get started now with the WGEA Guide to reporting: <https://www.wgea.gov.au/guide-to-reporting/reporting-overview>.**

Many of our member organisations will be working on their WGEA reports right now, with the deadline to submit fast approaching. This year, all reports must be submitted by 31 July 2020 and no extensions will be given. If you need help, check out their website: <https://www.wgea.gov.au/reporting>

Coming up this month: WGEA reporting! Many of you will already be working on your WGEA compliance reports. Remember – the deadline for submitting your report this year is 31 July! To help you submit your report, WGEA have provided us with a handy checklist of resources to help you get started:

- Ensure you have your myGovID to log into the portal. If you are not sure, go to the [website](#) and click on the 'Portal Login' at the top right-hand corner of the screen.
- Download the [Workplace profile worksheets](#) and the [Indicative format of the workplace profile and reporting questionnaire](#) from the website.
- For solutions to common workplace profile data quality issues, refer to ['How do I resolve data anomalies'](#).

# Benefits of using a broker

## Top reasons to use a broker for your business insurance

You have your personal car, home and CTP Insurance bundled with the one insurer, so why not add your business insurance to that mix as well, right? However, when insuring your business, it might not be so simple. The industry you're in, the laws governing the industry, and the nature of your business will all impact on the coverage you need to adequately protect your business.

An insurance broker is there to independently advocate and act in their client's interests. Working on your behalf, your broker can ask the right questions to get a thorough understanding of your industry and negotiate with insurers to get you the best possible outcome. A broker may assist you in obtaining a better deal overall.

### Identify the right cover

The best broker is the one who takes the time to understand your industry in as much detail as possible, and thoroughly assesses all the potential risks. A broker should carry out a needs analysis to identify gaps or changes in your requirements (both when taking out insurance, and at each renewal). Your broker may also be able to introduce you to additional services such as workers compensation specialists' and asset valuation services.

### Negotiate better deals

Brokers often have access to a panel of insurers, who have been screened to ensure they offer the best coverage and value for your respective sector. The coverage and deal you get is often also impacted by your broker's relationship with these insurers. A good broker should be comfortable to negotiate with insurers on your behalf to ensure you're getting the best outcome.

**Read full article [here](#)**

# Professional Indemnity Insurance for REIA members. Easy.

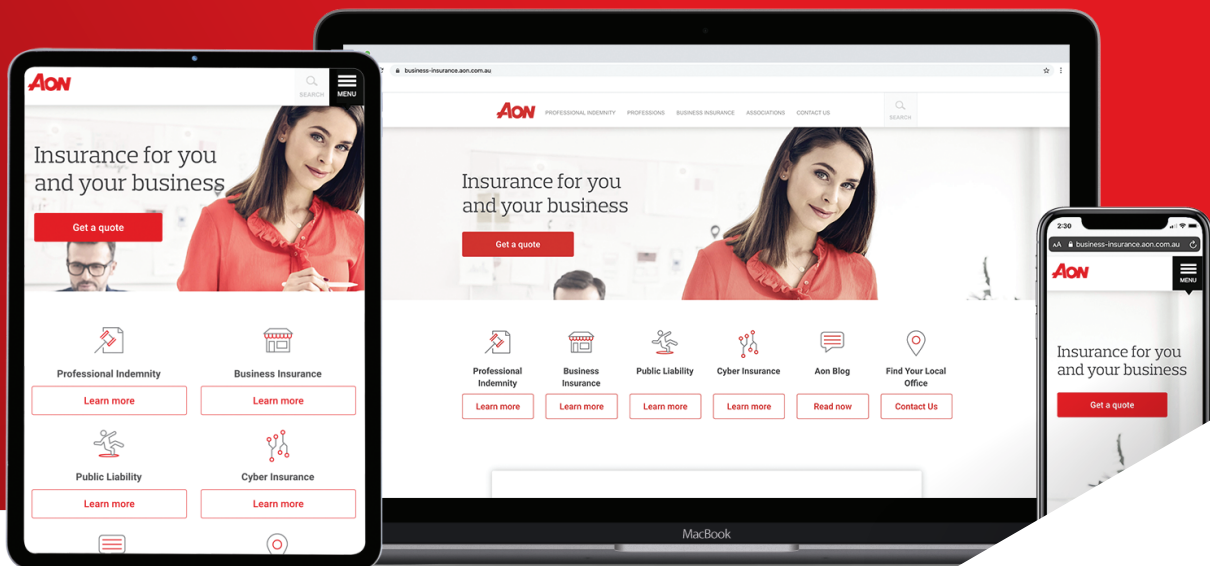
✓ Easy to understand, buy and manage

Powered by our new insurance platform coverwallet, Aon Direct helps solve your business insurance needs in challenging times.

Take control of your business insurance costs

Get instant quotes online

Talk to experienced, friendly brokers to help make better decisions that protect your business



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AUSTRALIAN TAXATION OFFICE

## THE ATO 2020 RENTAL PROPERTY OWNERS TOOLKIT

**This tax time will be unlike any other Australia has experienced, and it promises to be one of the most challenging yet. The 2019-20 financial year has seen our country, our people, our wildlife and our land affected by unprecedented events. From drought and water shortages, to severe bushfires and the COVID-19 pandemic – every Australian has been affected in some way.**

The ATO recognises the challenges faced by many in the community and are working hard to deliver the government's economic stimulus measures and assistance to all Australians. The ATO is focused on providing the best possible support to all clients, and if you need information about how they can help, visit [www.ato.gov.au/disaster](http://www.ato.gov.au/disaster)

Whilst this year has been hard, your tax return doesn't need to be. Nine in 10 individuals make errors when reporting rental income and deductions, and the 2020 [Tax Time Toolkit for rental property owners](#) has been designed to address some of the common areas where people make mistakes, including:

- loan interest
- record keeping
- borrowing expenses
- repairs and improvements.

This year, the ATO have added a new page about what to do if your property is [damaged or destroyed](#), for those who may have experienced this unfortunate event. This information will help you understand the types of expenses you can claim and the income you need to declare, as well as what happens if your rental property can't be lived in and any capital gains tax implications. There are some tips about how to get your record keeping right, and easy to follow examples for common issues.

You can also access other products the ATO have available to assist, such as videos and the rental property guide at [www.ato.gov.au/property](http://www.ato.gov.au/property).



## WHAT IS THE PROPTech SUMMIT 2020?

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AND INVESTMENT  
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THE FUTURE OF PROPERTY

Launched in 2018 with huge success and 200 real estate professionals in the room, who met to discuss and debate the rapid pace of change and disruption facing the industry.

We're back in 2020, to catch up on how the industry has changed in the last 12 months, hear from globally recognised and domestic thought leaders who will share case studies and discuss what your strategies should look like for the coming year.

If this is your first time, don't miss out on the opportunity to meet, network with and be inspired by leaders who are the driving force behind the PropTech revolution globally and in Australia.

We'll be addressing all the big issues, peeking over the horizon to see what's coming next and helping the industry grow.

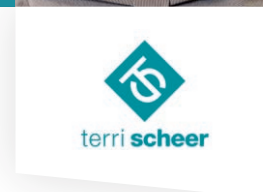
Make sure you're part of the growth, we look forward to seeing you there.

[Request BROCHURE](#)

[Register](#)

# ON TIME POLICY RENEWAL CRITICAL TO MAINTAINING COVER

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



## The timely renewal of landlord insurance has taken on even greater significance for landlords as a result of COVID-19.

The current tenant eviction moratorium in place because of COVID-19 means allowing an existing policy to lapse can create significant future difficulties when it comes to claiming on rent arrears or property damage.

Renewal dates on policies are hard deadlines. Effectively, there are no credit terms on insurance renewals; if the premium is not paid on the day it is due there is no cover, unless you have contacted your insurer to negotiate an extension.

Allowing a policy to lapse may mean lengthy delays in getting another policy in place or being unable to get the same level of cover.

Even if a new policy is subsequently provided, it generally will not be backdated, leaving a gap in

cover, meaning the landlord will have a period of time where the property is uninsured.

This poses a significant risk that any unpaid rent accrued while uninsured will not be covered when you start your new policy. It also leaves the landlord exposed to damage bills they are unlikely to be able to claim under their new insurance policy.

If you've been authorised to pay insurance for your landlords and at the time the premium is due there is insufficient money in the trust account, it's important you contact the insurer to discuss the possibility of an extension.

The alternative is for the agent to contact the landlord to advise them to pay the premium before the renewal date.

Payment on time ensures continuity of cover under existing conditions and avoids any potential for confusion or dispute about whether claims are covered.

Terri Scheer Insurance understands during the current pandemic there is a risk that things might simply "slip through the cracks", but renewal dates are important, and agents need to ensure their internal systems are appropriate to avoid what could be a costly oversight.

For further information, visit [www.terrischeer.com.au](http://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](http://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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# INDUSTRY UPDATE

Industry news from around Australia



## Victoria

### Victorian property market holds firm in the face of Covid-19

REIV President Leah Calnan says the Victorian property market has displayed true strength in holding firm against all predictions regarding the impact of Covid-19.

The latest Quarterly median prices released by the Real Estate Institute of Victoria show that the market is still strong. While there has been a small adjustment from the previous quarter, the market is in much better shape than it was in 2019 across all property types.

House values in Metropolitan Melbourne fell by just 3.5 per cent over the June quarter, following four quarters of continuous growth. With a median price of \$864,000 houses in metropolitan Melbourne are still 6.1 per cent more valuable than they were at this time last year. Houses in Middle Melbourne recorded an astonishing 9.4 per cent increase since June 2019.

Units in Melbourne have recorded a quarterly median price of \$621,000, just 2.5 per cent lower than the previous quarter having grown by 6.4 per cent over the past 12 months.

House values in Regional Victoria have held steady with the quarterly median house price at \$420,000 up by

0.1 per cent over the past quarter and a healthy 3.7 per cent annual growth.

Regional units have shown tremendous growth of 13.6 per cent over the past quarter, the median unit price for regional Victoria of \$339,000, setting a new quarterly record.

The underlying strength of the Victorian market is evident as prices have stayed firm despite volume of sales transactions significantly reduced due to the restrictions imposed by the pandemic. 29 per cent fewer properties sold in Victoria for the June 2020 quarter when compared to June 2019 quarter.

New records have also been set for houses and units sold by private treaty. Houses sold by this method are up by 7.6 per cent and unit sale prices have grown by 3.4 per cent over the quarter.

REIV President Leah Calnan said the figures have confirmed the feedback that we are receiving from our membership.

“2020 has presented challenges in every respect and these results should provide a great source of confidence for all Victorians.” Ms Calnan said.

“Many pundits predicted doom and gloom amid crashes for Victorian Property prices and that just hasn’t happened. Despite Covid-19, our market is stronger than 2019.”

“Prices haven’t tumbled. Any home up for sale in Victoria is swamped with interest from buyers.”

“The REIV June Quarterly results are great reading, these are good prices, our market is resilient, and we can move ahead with confidence.”

“Prices have held despite transaction volumes being down, and these are historically unprecedented times.”

“The great appetite for Victorian property continues. People from all over the place still want to buy a slice of Victoria. We need more homes being listed to keep up with this strong demand.”

“There has never been a better time to sell your home. With fewer properties up for sale demand is outweighing supply and is delivering great prices.”

“The real estate sector has responded to these difficult times with agility and innovation, ensuring that people can continue to find their dream home.”

*Source: Real Estate Institute of Victoria*

## Western Australia

### June reveals biggest month of sales in Perth since 2015

June reiwa.com data shows the strongest month for sales in Perth since 2015, with transactions increasing 55.1 per cent compared to May and 45 per cent higher than June 2019.

REIWA President Damian Collins said it’s clear the recent Federal and State

# INDUSTRY UPDATE

## Industry news from around Australia



» *continued*

Government building bonus grants have boosted transactions last month.

“reiwa.com data shows there were 3,990 sales transactions in June, with 2,519 of these dwellings (up 15 per cent) and 1,471 land sales (up 289 per cent),” Mr Collins said.

“The large spike that we have seen in land transactions can be attributed to people fearing that they may miss out on these grants. There is a real possibility that we will run out of titled and completed blocks in the coming months.”

The top suburbs to see an increase in transactions were Willetton, Thornlie, Girrawheen, Dudley Park and High Wycombe.

reiwa.com data revealed the median house price remained unchanged for June, which is sitting at \$475,000, however the median land sale price increased five per cent compared to this time last year and is now sitting at \$250,000.

“With listings for sale down nine per cent to only 10,310 and sales activity increasing, it is fast becoming a sellers’ market. While monthly changes in prices can be volatile, rising sales and dropping stock levels are usually a precursor to rising prices,” Mr Collins said.

“During the initial COVID-19 period there was some downside price risk to Perth property prices, however it now appears that Perth prices will generally hold

firm and could even possibly rise. This is of course dependent on the economy opening up and remaining open.”

### **Perth rental market**

Listing stock in Perth’s rental market continued to plummet in June, declining a further 15 per cent to 3,963.

“This reduction in listings means we can expect the vacancy rate to drop further from the current 2.2 per cent. In saying that, there are many agents on the ground who are reporting the vacancy rate for their agency sitting as low as one per cent,” Mr Collins said.

“According to reiwa.com data, the suburbs that have seen the largest increase in leasing activity growth include Cloverdale, Rockingham, Mount Lawley, Beckenham and Subiaco.”

Perth’s overall median rent price remained at \$350 per week in June 2020.

“While the ban on increasing rents is in place for established tenancies during the COVID-19 emergency period, agents are reporting some evidence of rising rents on newly leased property. Once we emerge from the emergency period, we may see median rental prices rise,” Mr Collins said.

*Source: Real Estate Institute of Western Australia*

### **Western Australia**

#### **WA needs to create long-term economic activity and jobs by removing stamp duty**

According to a draft report of the independent New South Wales review of Federal Financial Relations, it’s time for state and Commonwealth governments to scale back on inefficient taxes including stamp duty, and REIWA is calling on Western Australian political leaders to do the same.

REIWA President Damian Collins said the Institute supports the draft report and calls for discussions to commence in WA to remove inefficient taxes such as stamp duty.

“Described in the report as an ‘unfair and damaging tax’, stamp duty is the wrong tax for rebuilding the State Governments’ capability to deliver for its citizens – clearly this also applies to WA.” Mr Collins said.

In addition, the report notes that a broad-based land tax is the best instrument to ensure efficiency of state taxation.

“According to Deloitte, removal of stamp duty could lead to a 60 per cent uplift in transactions, generating an additional \$1 billion to the WA economy, which is why a tax switch would establish the right settings for long-term growth,” Mr Collins said.

“By introducing a broad-based tax system, payments will be made over a longer

» *article continues*

# INDUSTRY UPDATE

Industry news from around Australia



» *continued*

period, allowing those who need to move, the ability to do so. Having an opt-in model only on new transactions will mean that those who have paid stamp duty are not unduly hit by the replacement tax.”

As a strong advocate for the removal of stamp duty in favour of a land-based tax system, REIWA strongly urges the WA Government and Opposition to go to the next election with economic policies, such as removing stamp duty, that will set the state up for the stronger long-term growth.

*Source: Real Estate Institute of Western Australia*

## New South Wales

### Important that agents remain vigilant and compliant with the current social distancing requirements

There has been a return to stricter controls on Victoria’s property agents as a result of the re-emergence of COVID-19 in Melbourne over the past week. This is a timely reminder for us all that this issue has not been put to rest.

With the property market currently so buoyant, there are many more potential buyers coming through open homes and attending auctions. To avoid the Victorian-style restrictions being imposed in NSW, it is critical that agents remain vigilant and compliant with the current social distancing requirements.

The NSW Government relaxed the restrictions imposed as part of the initial shutdown, enabling agents the ability to conduct open homes and auctions,” says REINSW’s CEO Tim McKibbin. “To protect consumers and continue enjoying these concessions, it is important that all agents not only comply with the minimum requirements, but also embrace the spirit of these consumer protection measures.”

“The Victorian experience is a pertinent reminder for all NSW agents to stay vigilant. The ability for agents to hold open homes and onsite auctions is a valuable concession, not a right. If we don’t have agents complying with the COVID-19 restrictions, then a removal of the concessions and a return to more draconian measures is likely. As has been demonstrated in Victoria over the past week, the ability to carry on showing homes and conducting auctions is a concession that can be taken away at a moment’s notice,” says Mr McKibbin.

“The NSW community has done the right thing and by doing the right thing we have this virus in a manageable state. However, the Victorian experience shows just how easily COVID-19 can re-emerge and the problems that creates for the property industry. If this were to happen in NSW it would mean the relaxed social distancing requirements that we are currently enjoying could be reversed.”

*Source: Real Estate Institute of New South Wales*

## Western Australia

### REIWA releases seven key policy options to help reinvigorate the rental market

With over 240,000 rental properties in Western Australia, a significant proportion of the state’s population will be impacted by any changes to the upcoming review of the Residential Tenancies Act (RTA), which is why REIWA will be advocating strongly for changes that benefit landlords, tenants and property managers.

REIWA President Damian Collins said the review provides an opportunity for all parties to come together to ensure the legislation meets the needs of all parties involved.

“According to the latest REIWA rental survey, more than 70 per cent of tenants said they were satisfied with their renting experience, which suggests the current rental system administered under the RTA is generally working well,” Mr Collins said.

#### **Focus of the review**

“The focus of the review should be to increase the number of choices available to both landlords and tenants within the current framework, with any increase to a tenant’s rights must come with an increase in their responsibilities, together with benefits to the landlords to ensure a fair and balanced outcome for all parties.”

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# INDUSTRY UPDATE

## Industry news from around Australia



» *continued*

While REIWA is supportive of minor changes to the RTA to better protect tenants, it's imperative that the rights of landlords are maintained in order to attract investment and ensure ongoing supply of private rental housing.

### **Keep property investment attractive**

"Given that 96 per cent of all rental housing is provided by investors, a system that encourages investment to facilitate the supply of private rental housing and ongoing affordability for tenants is required," Mr Collins said.

"Therefore, it is essential that any changes to the RTA do not negatively impact landlords or their appetite to invest in residential housing."

### **Key policy points**

The Institute believes that very few aspects of the current rental legislation require a complete overhaul, which is why during the review, REIWA will be focusing on seven key policy options:

1. Maintain the right to choose between a fixed or periodic tenancy.
2. Preserve a lessor's rights to end a periodic tenancy without grounds, if necessary.
3. Encourage pets in rental properties without limiting a landlord's right to determine the suitability of the property to house pets.
4. Ensure compliance with current housing standards without creating additional red tape.

5. Protect both landlord's and tenants' interest by requiring consent before modification to a property.
6. Ensure disputes are handled quickly, fairly, and efficiently in the State Administrative Tribunal (SAT).
7. Maintain the current hardship provision for those seeking to break-lease.

### **More information**

REIWA supports regulatory proposals that improve economic and social outcomes to deliver maximum net benefits for Western Australians and looks forward to helping the RTA review achieve a result of a reinvigorated rental market.

While this is a broad overview of what REIWA will be advocating for during the review, you can [view REIWA's full submission](#) to see all the details or [visit our advocacy page](#) for more information.

*Source: Real Estate Institute of Western Australia*

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## **Australian Capital Territory**

### **Landlords disadvantaged by new COVID-19 Emergency Declaration Provisions announced by the ACT Government**

The Real Estate Institute of the ACT (REIACT) is disappointed at the lack of transparency by the ACT Government during a brief consultation discussion last Monday for the new provisions included in the extension of the RTA Emergency Declaration.

Whilst the Institute is in complete support of the extension of the Declaration until 22 October 2020, the enactment of the 3 week notice for termination of a fixed term lease by COVID-19 affected tenants without penalty, is another financial burden to be borne by landlords.

"Since 20 March 2020, our data shows that 87% of rent assistance negotiations have resulted in landlords agreeing to a reduction in rent to enable tenants to stay in their homes. These negotiations were done in "good faith" and now landlords have no protection from further losses, should tenants now seek termination of a fixed term lease under this agreement. The new provision will see landlords unable to seek any compensation for break lease fees, advertising or loss of rent." explained REIACT CEO, Michelle Tynan.

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# INDUSTRY UPDATE

## Industry news from around Australia



» *continued*

In April, the Chief Minister demanded that landlords be dragged to the table to negotiate rent reductions, however this proved completely unnecessary, as most landlords were willing to assist their tenants with a reduction in the weekly rent. Many landlords are now concerned that, with no end in sight for the pandemic, how they will be able to continue this assistance past the October moratorium end date. During discussions with Government there has been no acknowledgement that many landlords simply cannot afford to continue discounted rent, the fixed costs associated with investment properties in Canberra has not reduced, other than the Land Tax Scheme which will also end on the 30 September for investors, allowing them a maximum \$2600 in assistance from the ACT Government. “We will likely see an increase in the number of landlords who will sell their properties to mitigate their losses” said REIACT Director Hannah Gill. With the June quarter vacancy rate in Canberra at 1.4%, these sales will significantly affect tenants, who are already impacted from an under supply of affordable rental accommodation.”

The Institute has been actively seeking a meeting with the Chief Minister since 1 July to commence discussions for the development of a strategy to address industry concerns as to the impact of the cessation of the federal government eviction moratorium

and changes to the stimulus packages at the end of September 2020.

“In many cases, recipients of this stimulus are actually receiving more income than prior to the COVID-19 period, resulting in a false economy for many. We are concerned that those who are currently receiving the increased stimulus funds have not yet had a need to seek rent assistance, and that at the end of September, we will see an increase in the number of renters unable to meet their obligation to pay rent. Many landlords will also be affected when stimulus funds decrease. The Institute fears that this provision will significantly erode the “good will” of landlords, given they now have no protection or avenue to mitigate further losses, for tenants in genuine need of rent assistance past September,” Ms Tynan said.

*Source: Real Estate Institute of the Australian Capital Territory*

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# POLITICAL WATCH

Information and news from government



## Approvals for apartments plunge in May

The number of dwellings approved fell 16.4 per cent in May, in seasonally adjusted terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

“The decline was driven by private sector dwellings excluding houses, which fell 34.9 per cent, in seasonally adjusted terms. The number of dwellings approved in apartment buildings fell sharply, to an 11-year low,” said Daniel Rossi, Director of Construction Statistics at the ABS. “Meanwhile, private sector houses fell modestly in May, by 4.4 per cent.”

“While minor effects of COVID-19 are apparent in the headline Building Approvals results, the fall in apartment approvals was broadly expected prior to the COVID-19 pandemic.”

Dwelling approvals fell across all states, in seasonally adjusted terms. Double-digit falls were recorded in Tasmania (23.3 per cent), Victoria (14.3 per cent) and New South Wales (11.3 per cent), while South Australia (9.3 per cent), Western Australia (8.9 per cent) and Queensland (7.4 per cent), also declined.

Approvals for private sector houses fell in Queensland (9.9 per cent), Western Australia (7.9 per cent) and Victoria (3.9 per cent), in seasonally adjusted terms. South Australia bucked the national movement in May, increasing 7.1 per cent, while New South Wales rose slightly (1.0 per cent).

The value of total building approved fell 13.5 per cent in May, in seasonally adjusted terms. The value of residential building fell 17.3 per cent, while non-residential building declined 7.1 per cent.

*Source: Australian Bureau of Statistics*

## Home loan commitments fell sharply in May

The value of new loan commitments for housing fell sharply in May, down 11.6 per cent, seasonally adjusted, according to the latest Australian Bureau of Statistics figures released recently.

ABS Chief Economist, Bruce Hockman, said: “This was the largest fall in the history of the series, driven by strong falls in the value of loan commitments for housing in New South Wales and Victoria”

The value of new loan commitments for owner occupier housing fell 10.2 per cent, while investor housing fell 15.6 per cent. The number of owner occupier first home buyer loan commitments fell 9.3 per cent.

“While reduced transactions in the housing market stifled new loan activity in May, the value of existing owner occupier loans refinanced with a different bank was by far the highest on record as borrowers responded to reduced interest rates and refinancing offers”, Mr Hockman said.

The value of new loan commitments for fixed term personal finance rose

14.5 per cent in May, seasonally adjusted, following a 24.8 per cent fall in April.

“The rise in the value of new loan commitments for fixed term personal finance was driven by a partial rebound in the value of new loan commitments for road vehicles”, Mr Hockman said.

The ABS appreciates the continued support of APRA and lending institutions in providing the data used to compile this publication and for the additional data insights being provided by lending institutions.

*Source: Australian Bureau of Statistics*

## 10,000 First Home Loan Deposit Scheme guarantees available from 1 July 2020

The Morrison Government’s First Home Loan Deposit Scheme has had an incredibly successful first year.

From 1 July, an additional 10,000 loan guarantees are now available for first home buyers over the next 12 months through participating lenders.

The First Home Loan Deposit Scheme is a key election commitment of the Morrison Government, which is cutting years off the time it takes for Australians to save for a deposit.

The Scheme has so far provided 10,000 guarantees to eligible first home buyers to allow them to purchase a modest home with a deposit of as little as five per cent.

# POLITICAL WATCH

Information and news from government



» *continued*

The Scheme can also be used in conjunction with the Morrison Government's First Home Super Saver Scheme and HomeBuilder, and first home buyers may also be eligible for state and territory grants and concessions.

National Housing Finance and Investment Corporation (NHFIC) data shows applications for guaranteed loans are being received from all parts of our community, be it in our capital cities, regional centres or rural areas.

In the Scheme's first year of operation, data also shows that guaranteed loans went to applicants whose income were well below the Scheme's caps. The average income of single applicants is \$66,488 (\$125,000 cap) and for couples \$109,410 (\$200,000 cap).

The Scheme has proven most popular with first home buyers under the age of 30 years of age who secured 59 per cent of guarantees, and 12 per cent of guarantees have been secured by Australians over the age of 40.

The largest amount of applications for guaranteed loans, 45 per cent, were made through mortgage brokers.

The First Home Loan Deposit Scheme is a key part of the Morrison Government's commitment to do all we can to help Australians to get into a home of their own sooner.

For more information and eligibility criteria visit NHFIC's [First Home Loan Deposit Scheme website](#).

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

## Supporting small business to adapt, grow and create jobs

The Morrison Government will help businesses as they move into the recovery phase of the coronavirus crisis by extending the Coronavirus SME Guarantee Scheme which supports small and medium sized businesses (SMEs) to get access to the funding they need to adapt and innovate during the coronavirus crisis.

Under the existing Scheme, the Government is providing an unprecedented level of support to SMEs in partnership with 44 approved lenders by guaranteeing 50 per cent of new unsecured loans to SMEs. The Scheme has already seen more than 15,600 businesses accept loans worth \$1.5 billion.

The next phase of the Coronavirus SME Guarantee Scheme will help businesses move out of hibernation, successfully adapt to the new COVID-safe economy and invest for the future.

Key changes to the Scheme include:

- Extending the purpose of loans able to be provided beyond working capital, such that a wider range of investment can be funded;
- Permitting secured lending (excluding commercial or residential property);
- Increasing the maximum loan size to \$1 million (from \$250,000) per borrower;
- Increasing the maximum loan term to five years (from three years); and

- Allowing lenders the discretion to offer a repayment holiday period.

The extended terms of the Scheme will enable lenders to continue supporting Australian small businesses when they need it most. The expanded Scheme will shift from providing access to working capital to helping businesses stay afloat during the crisis to now also enabling them to access more affordable and longer term credit so that they can invest for their future.

The initial phase of the Scheme remains available for new loans issued by eligible lenders until 30 September 2020. The second phase of the Scheme will start on 1 October 2020 and will be available until 30 June 2021.

The Morrison Government will continue to support small businesses as they seek to rebuild, adapt and create jobs on the other side of the coronavirus crisis.

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

*Senator the Hon Michaelia Cash, Minister for Employment, Skills, Small and Family Business*



FIABCI



## FLORENTINO DULALIA INSTALLED AS FIABCI WORLD PRESIDENT



On June 5, Florentino Dulalia was installed as FIABCI, The International Real Estate Federation's 55th World President, succeeding in Walid Moussa from Lebanon.

The new president took office during a virtual transition ceremony broadcasted live on FIABCI's official Facebook account, given the impossibility of organizing the event during the traditional closing ceremony of the federation's World Congress due to COVID-19. Thousands watched the live stream of the ceremony in an innovative, online format that included World President 2019-20 Walid Moussa's outgoing report and Past President Medal presentation, as well as the announcement of the Medals of Honor and the new Board of Directors.

During his first remarks as World President, Florentino Dulalia committed to continuing working on the global policy and development program laid out by the Board of Directors, thus ensuring his full support to the various initiatives launched by FIABCI in recent

years: "I shall undertake to continue the efforts of my predecessors in achieving our federation's vision and carve a larger role for FIABCI in doing so.", he added.

Among the core goals for his presidency are to increase membership and the formation of new Chapters, deliver relevant services to members focusing on business and learning opportunities with access to information, as well as the engagement of Chapters and Principal Members in FIABCI global events – both onsite and online – and other activities.

As World President, Mr. Dulalia also plans to explore the role of young professionals as future leaders of the federation and the industry, to actively recruit the government sector to ensure the Chapters' active participation in their country's real estate advocacies and government initiatives, to support the Chapter leadership in the organization of their national Prix d'Excellence Awards, among others.

Regarding the biggest achievement of 2020-21, Florentino Dulalia spoke about the preparation of the Strategic Plan Vision 2030, which reflects the vision for FIABCI for the next 10 years to come: "For the creation of this new Strategic Plan, we are conducting market research through which we take a holistic view of the global real estate industry, assessing major movements and trends while considering the customer's experience," he said.

### About Florentino Dulalia

World President Florentino Dulalia is the Chairman and CEO of the Dulalia Group of Companies in Manila, Philippines. Having received more than 280 awards and recognitions throughout his career, he is a renowned leader who served as President/Chairman of different real estate organizations and currently holds several internationally-recognized professional industry designations.

Please see upcoming webinars which will also now be live streamed on [FIABCI Official Facebook page](#)

This information is also available on the [Global Calendar](#)

# THE WORLD

Property news from around the world



## GLOBAL NEWS

### Cities with biggest rise in residential prices revealed

Manila and Budapest saw the strongest rise in annual price growth year-to-date and in Q1 2020 respectively, according to the latest Global Residential Cities Index from Knight Frank.

Manila leads the annual rankings for the second consecutive quarter, with price growth of 22% in the year to March 2020, with Budapest following closely behind at +16%.

Aside from Manila, Seoul and Melbourne are Asia Pacific's top performers (+13%).

The average annual growth across 150 cities was 4.3%, with 85% of cities tracked registered 'static' or 'positive' price growth over the 12 month-period.

The report covers the period up to 31 March as the COVID-19 pandemic was at its peak in parts of Asia but was yet to impact Europe or the Americas. This means that the results, according to Knight Frank, could change within the next six to 12 months.

Knight Frank said within the index: "We expect sales volumes to feel the impact of COVID-19 more than prices with employment protection schemes

and mortgage holidays in many advanced economies likely to reduce the number of distressed sales and hence the likelihood of price falls.

"Whilst the index's overall performance may not drop significantly, we do expect the city rankings to look very different in six to 12 months' time with those markets that have been effective in containing the pandemic, and where lockdowns were short-lived, most likely to show more resilience."

The top ranking UK cities were London and Manchester, with annual growth of 4.6%.

Source: [PropertyWire.com](http://PropertyWire.com)

## UK NEWS

### Online auction activity surges from last year

Auctioneer iamsold has seen sales outdo last year, as people look for safe ways to buy amidst the pandemic.

Compared to last year sales are up 20% and viewings 22%, as the company has seen both surge since the start of June.

Jamie Cooke, managing director of iamsold, said: "It's really encouraging to see this spike in activity. Our estate agent partners are reporting activity levels between 50 to

100% of pre-Covid-19 levels, and they are feeding back that market appraisals are on the rise so further growth is set to come.

"A significant trend is that those requesting market appraisals are what we would classify as non-discretionary sellers in the main, who need to sell and are not just testing the market.

"This could be people needing to downsize, relocate to be near family or indeed separations leading to the sale of the family home.

"Our feeling is that non-discretionary sales will be a significant proportion of opportunity seen in the coming months, and as a result, we are gearing up for a busy summer as we support our agents by delivering a fast and secure way for their clients to buy and sell property through bespoke online auctions."

Source: [PropertyWire.com](http://PropertyWire.com)

# REIA NEWS

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