

JOURNAL

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People, planning and passion

Cathy Baker reveals
her keys to success



RESIDENTIAL TENANCIES ACT
Crafting a case for reform

IT'S SHOWTIME!
A day with Scott Kennedy-Green

CHAMPIONS FOR CO-REGULATION
REINSW's plan for a stronger profession



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Editorial contributions

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Taking a different view

Gone are the days when the profession can afford to take a narrow view of the real estate sector. To meet future challenges, a different perspective is needed.



As agents we can secure our status as *the* essential element in every real estate transaction.

The real estate sector is not what it used to be. Back in 1976 when I started out, things were much simpler. We used multi-listing, print media and signboards to sell and lease property. There was no such thing as a 'database'; we just had boxes of 4x3 index cards sitting next to the phone. And we worked together. There was less competition amongst agents and the industry overall had a more collegiate atmosphere.

Well, haven't things changed! And the rate of change shows no signs of slowing. In fact, it just keeps getting faster and we face the challenge to keep up.

Oh, how things have changed

Over the last 40 years, the service we offer as agents has changed. So much so that there's now a whole network of suppliers and stakeholders relying on real estate agents to drive revenue. Put simply, the real estate sector has exploded.

Once upon a time, our main supplier was the print media. No longer. As technology has advanced, so too have the number of suppliers serving our industry. We now have a lengthy list of portals, data providers and online media vying for our attention. Then there's the plethora of CRM and technology solutions, not to mention all the other ancillary services we now find ourselves using – photographers, videographers, copywriters, stylists, brand and marketing specialists, and more. The list goes on and on.

We're all in this together

The real estate industry has become a connected economy. It's an eco-system where we're all dependent upon each other for survival – agents, online media, print media, web portals, technology suppliers, data providers and many other stakeholders. The sooner we recognise this, the better. As our industry faces the inevitable challenges of disruption we not only need to adapt, but we need to adapt together. As agents we underpin it all. We pull all the elements together. But what does that mean?

Yes, our tools of trade have changed. But so too has the way we deal with each other.

As time has marched on, our industry has become more fragmented, suspicious and protective. We each live and work in our own little world. Many agents operate in silos, without any big picture view. If we continue to do so, there's no doubt that we'll be side-swiped by disruptors with a better value and service proposition. Our status quo outlook is our Achilles heel.

We need to come together and once again find that common ground that existed 40 years ago. We need to work as a cohesive group. We need to unite to achieve the best possible outcomes for consumers, agents and the industry as a whole. If we don't, we become even more of a target.

Leveraging our united voice

By joining forces and dropping our silo mentality, we can open meaningful dialogue with a view to bettering our profession and the industry. REINSW's Industry Summit in November 2015 was a good example of this, where representatives from all parts of the real estate sector came together to discuss the future direction of the industry. To read about the Industry Summit and view a highlights video, go to reinsw.com.au/industrysummit.

By working together we can leverage our united voice, become more relevant and collectively be a stronger advocate for the sector. And as agents we can secure our status as the essential element in every real estate transaction.

At REINSW, we're leading this shift in attitude and we're encouraging members to take a broader view of the real estate sector. I promise to keep you fully informed and involved in this journey.

John Cunningham
REINSW PRESIDENT



Lyn Kimball appointed to Board of Directors

REINSW President John Cunningham has appointed Lyn Kimball to the Board of Directors.

A Director at Fitzpatrick's Real Estate in Wagga Wagga, Lyn's career spans more than 30 years. She specialises in property management and has been a member of the Property Management Chapter Committee since 2002.

I look forward to the opportunity to bring a country perspective to the Board of Directors.

"With a long career in property management and being part of a large independent regional agency, I look forward to the opportunity to bring a country perspective to the Board of Directors," Ms Kimball said. "I enjoy the process of policy review and change, and being part of the drive to improve education standards in our industry.

"REINSW is more relevant today than ever before. As an industry we must continue to raise our professional standards, and REINSW is the vehicle to achieve this."



A man is not a financial plan

Women are no longer waiting to find a partner before stepping onto the property ladder.

The number of applications made by individual female applicants through Aussie Home Loans' panel of 20 lenders, which includes the big four banks, has steadily risen over the last four years.

In 2015, female applicants accounted for 11.22 per cent (11,776) of all applications. By comparison, individual male applicants made up 12.34 per cent (12,954) of total applications – just 1178 more. By comparison, in 2012 over 4000 more applications were submitted by men than women.

According to Aussie Home Loans Chief Executive John Symonds, lending decisions are based purely on numbers.

"Maybe 30 years ago it was different, but it's 2016 – it's based on your financial merits, not upon your gender," he said.



HARCOURT REVEALS NEW LOOK

Real estate group Harcourts has unveiled a new-look brand for 2016. It's the first significant brand change for the group since 1988.

"We have consistently grown our investment in technology, have expanded into two new countries over the past 12 months, and are constantly looking at ways to innovate, but this wasn't necessarily apparent in our previous branding," Harcourts International Managing Director Mike Green said. "It is important to us that our brand properly reflects our size, innovation, capability and global reach."

Along with a new logo and colour palette change, Harcourts has also invested in equipping their people with new tools to help them better market themselves and better serve their clients.

One example is a new listing presentation that agents can adapt to suit each client. "It gives agents much more flexibility to deliver what the client wants," Mr Green said.

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NSW SUBURBS WITH A MEDIAN HOUSE PRICE OF **MORE THAN \$1 MILLION**

As at December 2015.

► **UP 32.7%**
from December 2014.

Source:
CoreLogic
RP Data

PROPERTY INVESTMENT NOT JUST FOR SUPER RICH

One in three landlords have an annual household income of under \$100,000, according to new research from LJ Hooker.

Of the 1700 landlords surveyed across Australia, 37 per cent had an annual household income of under \$100,000. A further 29 per cent earned between \$100,000 and \$150,000.

Finding the right balance between price growth and rental yield was the main motivation behind property investment for 58 per cent of respondents.

“Securing a regular income stream via rental returns is not the primary reason investors seek out property,” LJ Hooker National Research Manager Mathew Tiller said. “The findings indicate capital growth and rental returns in combination are overwhelmingly desired, but a weekly income stream on its own is not a desirable motivator.”

CGT changes won't fix housing woes

Changing Capital Gains Tax won't address housing affordability and supply problems, according to the Housing Industry Association.

“Improving housing affordability and home ownership rates needs to be a focus for all parties in the upcoming federal election,” HIA's Chief Executive of Industry Policy and Media, Graham Wolfe, said. “[The] announcement by the Opposition that it intends to halve the capital gains discount on investment properties will not achieve these objectives.

“Reducing the CGT discount, which is an important measure to recognise the net present value of the asset, will push investment away from Australia's housing sector.

“Any changes to taxation with respect to housing must be aimed at boosting housing supply and reducing the overall tax burden on the sector.”



If only the walls could talk, one could almost imagine Ronald Reagan and other heads of state sitting with Baroness Thatcher in her dining room.

Yours for \$62 million: Margaret Thatcher's home for sale

The former home of one of Britain's best-known prime ministers is on the market. Located in one of London's premier neighbourhoods, the property is classified as being of 'special interest' to the nation.

The four-storey townhouse terrace has six bedrooms, a drawing room, library, temperature-controlled wine cellar – and a bomb-proof front door.

“If only the walls could talk, one could almost imagine Ronald Reagan and other heads of state sitting with Baroness Thatcher in her dining room,” said agent Richard Gutteridge.

The Iron Lady lived in the house until shortly before her death in 2013.

Celebrating excellence

With entries for the 19th annual REINSW Awards for Excellence opening on 26 April 2016, we asked some of last year's winners why they entered and how their success has impacted their career and business.



Ewan Morton

Managing Director at Morton

WINNER OF THE RESIDENTIAL AGENCY – LARGE AWARD FOR EXCELLENCE

We enter the Awards for Excellence each year to benchmark ourselves against the rest of the industry. It's also a great opportunity to stop and reflect on our achievements over the previous 12 months.

It's a real honour to be recognised by the industry. We all work hard together over the course of the year and every member of the team contributes to our success. It's a real kick for the entire team – great for morale.

Take the time to enter. Any motivation to keep going should be embraced. And the Gala Dinner is a really great event!



Jesse Davidson

Auctioneer at auctionWORKS

WINNER OF THE AUCTIONEER AWARD FOR EXCELLENCE

I entered the Awards for Excellence last year to test myself against the best in the industry. For me, it was all about learning from my peers and there's no better way to do this than by watching the best in business in action.

To hear my name read out as the winner was an incredible honour. I was so proud to receive the award.

If you're thinking about entering this year, don't be scared. The contacts you make and the experience you gain is invaluable. And winning raises your profile in so many ways. The REINSW Awards for Excellence are *the* industry awards to enter.



Mechlenne Douaihy

CEO at Merc Real Estate

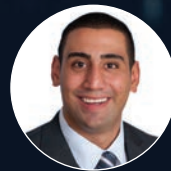
WINNER OF THE PROPERTY MARKETER AWARD FOR EXCELLENCE

Working in the industry for the past 15 years, I always knew how highly regarded the Awards for Excellence were. So when I started my agency in 2013, one of my goals was to win an REINSW award.

Winning the award has been really beneficial. I include an image of the award presentation in my listing presentation whenever I'm pitching.

There was some really stiff competition for the award last year, which made winning that much sweeter.

The process of entering is a growth experience in itself. It gives you the opportunity to review your performance over the past year and note where improvements can be made.



Alex Mirzaian

Capital Markets Investments & Development Properties at CBRE

WINNER OF THE RISING STAR AWARD FOR EXCELLENCE

Having one of my most successful and challenging years recognised by the industry was really rewarding. I was absolutely honoured to win at such a young age.

Winning has been really beneficial for my personal branding and career development. It's been humbling to see the respect from potential clients and other property professionals grow since winning the award.

Take your time in preparing your submission and view it as a pitch to win business. We spend so much time investing in our work. We should also take the time to invest in ourselves.

Enter the 2016 REINSW Awards for Excellence

Entries for this year's Awards for Excellence open on 26 April 2016. You can download the Entry Kit at reinsw.com.au/awards Good luck!

To see all the 2015 winners and view the highlights video of the Gala Dinner, go to reinsw.com.au/awards

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PRINCIPAL ONLY SESSION

Hear the latest about the current review of the Real Estate Industry Award and the issues with commission-only arrangements.

3 CPD POINTS

Greg Paterson, Executive Director of REEF, will lead this informative session.

INDUSTRY UPDATE

NSW Fair Trading and REINSW

will hold a question and answer session with attendees around current issues including underquoting, review of the RTA, swimming pools, strata reforms, retail leasing, etc.

9 CPD POINTS

Domain Economist Dr Andrew Wilson will share his predictions about the property market in 2016. (Some locations only.)

REA's Derek Taylor will demonstrate how the latest technologies are changing the agent/consumer relationship.

DETAILS

Principals only session:

8.30am - 9.30am
\$44 per person

Morning Tea:

9.30am - 10.00am

Industry update session:

10.00am - 1.00pm
\$132 members / \$159 non-members

(prices GST inclusive and includes morning tea)

What's the buzz?

REINSW's lobbying efforts in relation to the Residential Tenancies Act review, training standards and negative gearing have been generating lots of media buzz recently.



The overwhelming majority of issues that aggravate consumers and attract the attention of the regulator could be solved by better education and continuing professional development.

JOHN CUNNINGHAM
REINSW President
Raise the bar, institute tells regulator
Real Estate Business, 19 January 2016

Government is dependent on a healthy and vibrant property market for its revenue. Yet many property areas are consolidated within NSW Fair Trading, which has in excess of 40 pieces of legislation that it administers.

TIM MCKIBBIN
REINSW CEO

Industry leader calls for better regulation
Real Estate Business
1 February 2016

It not only better equips the new entrant for the profession; it also allows that new entrant the opportunity to commit themselves to the disciplines required by the profession.

JOHN CUNNINGHAM
REINSW President

Property agents need education to combat 80% 'churn rate'
The Northern Star
19 January 2016

Putting the onus on us to be responsible for checking identification and the source of funds is barking up the wrong tree.

JOHN CUNNINGHAM
REINSW President

Booming housing market increasingly a target for drug money launderers, say police
Domain
22 January 2016

Using photographs or videos showing a tenant's property for advertising purposes understandably creates serious privacy concerns for tenants and should not be permitted unless the tenant's prior written permission is obtained.

REINSW SUBMISSION
Statutory Review of the Residential Tenancies Act 2010

Property marketing raises 'serious privacy concerns'
Real Estate Business
2 February 2016



READ MORE
reinsw.com.au/journal

No major reform [to negative gearing] should be implemented without comprehensive and detailed modelling, and the various unknowns with this Labor policy seem to warrant further investigation.

LEANNE PILKINGTON
REINSW Vice President

Franchise boss warns government against 'major reform'
Real Estate Business
18 February 2016

We just think the legislation has fallen behind the advancements we've had in technology in the past few years.

TIM MCKIBBIN
REINSW CEO

Tenancy agreements should make better use of technology
Your Investment Property
3 February 2016

We have to accept that SMS and emails and those sorts of things are gaining every day as part of our work of communication.

TIM MCKIBBIN
REINSW CEO

Overtaken by technology: Let tenants, landlords use email, REINSW says
Australian Financial Review
1 February 2016

It is foolish to think that only allowing negative gearing on new dwellings will fix anything as new dwellings are always going to be more expensive than existing properties.

JOHN CUNNINGHAM
REINSW President

Proposed changes to negative gearing will drive up rents and hurt poor families, experts warn
The Daily Telegraph
16 February 2016



REINSW cannot see any reason why email should not be a legislated method of service for agents, landlords and tenants.

TIM MCKIBBIN
REINSW CEO

REINSW submits recommendations to the NSW government in anticipation of rental law shake-up
The Daily Telegraph, 1 February 2016

People, planning and *passion*

Cathy Baker is one of our industry's best and brightest talents. Here she shares how she's made it to the top and why relationships are the key to her success.

By HELEN HULL

The property industry needs more Cathy Bakers. Her passion for the real estate profession and desire to help others is infectious.

She's the sort of person you can talk to all day and someone who makes high-quality service look easy. Most of all Cathy is genuine and highly motivated.

At 43, having spent many years building a multimillion dollar business with her husband, Cathy was faced with the prospect of losing everything – including the family home. She had two choices: do nothing and suffer the consequences or step up and take action.

"I knew I had to act and made a conscious decision to turn things around," Cathy explained. She tapped into her inner strength and determination, forging a new career path for herself and securing her family's future.

Cathy already ran a successful interior design business and an opportunity arose in real estate.

"I worked out that if I could double my business for five years and then build three to five offices in the five years after that, I'd be able to pay off our mortgage and then give each of the kids a deposit for a house.

"I wanted to ensure that I was setting myself up to succeed. I needed to tap into all the expert resources available, so I hired five coaches to assist and guide me in fast tracking my career.

"It's important to create a five-year plan and make that the blueprint of your success,"

“

You need to actually make a commitment to yourself about what you want to achieve. You put 100 per cent into that plan, you focus on nothing else and make sure that you do what it takes to set yourself up for success.

Cathy said. "You need to actually make a commitment to yourself about what you want to achieve. You put 100 per cent into that plan, you focus on nothing else and make sure that you do what it takes to set yourself up for success."

Cathy was surprised at the positive response she received early in her career.

"I didn't envisage that through cold calling and door knocking I would get prospects so quickly," she said. "But most of all I hadn't realised that my home town had been so badly affected by the global financial crisis.

"In 2009, I received a call from an old neighbour in Killcare on the Central Coast who wanted to sell their property in 4-5 weeks. Despite being 40 minutes from my office but close to home, I agreed to list the property and sold it prior to auction for a record price using a high-quality marketing campaign.

"From that very first property, the phone didn't stop ringing and I was inundated with requests. Within the space of three months I had acquired 50 properties to sell. With such a big response in such a short period, I went about reviewing my principles and decided to make Killcare my core area. I could see the residents were in need of my assistance and service.

"I soon realised that there was a big difference between a residential market and a lifestyle market, which had luxury properties and less buyers. You have to be more creative to sell the property, have more empathy with your





I believe clients are for life rather than just for a transaction, and the nurturing of people has been how I have built my business.

clients, and nurture them for what could be a very long campaign.”

Approach to clients

One of the areas that sets Cathy apart from her peers and cements her position as an industry leader is her approach to clients.

“I’ve only lost two clients in the last five years. I believe clients are for life rather than just for a transaction, and the nurturing of people has been how I have built my business. I don’t just focus on the property I am selling. I also put a lot of energy into the relationship I am building with them, as I want it to last for the next two decades and beyond.”

According to Cathy, real estate is a simple business. “It’s about caring for the people you do business with, having empathy with each unique situation and following up on the things you said you would do. You have to have pride in what you do and strive for the premium result, as if you get a price that people strive for, your reputation starts to build. You become the agent of choice, because the community itself sets you up with referrals.

“The biggest failing in the industry is that many people just see it as a paycheck and don’t put their heart and soul into how they do their job. Many agents just focus on the sale of the property and not on building relationships in the community.

“The people who thrive on building lasting relationships that go beyond the sale or purchase of a particular property.”

Becoming a franchisee

Cathy is well on the way to achieving her goals, having doubled her business every year for the first five years as her plan dictated. While working as a sales agent for an independent agency, word of her success travelled and she was approached by Belle Property CEO Peter Hanscomb and offered the opportunity to oversee the full franchise of the Central Coast.

“It was at that point I knew my dream could become a reality,” Cathy said.

Since opening her first office in Killcare six months ago, Cathy has continued to expand her business with the recent opening of Belle Property Wamberal and has increased her team to 10.

“I love the creative flair and the ideas that she brings to the table,” Mr Hanscomb said.

“Cathy is very innovative. She’s a people person who has a real love of the real estate business. Not that many people love it the way that she does.

“Cathy understands the importance of skill development, coaching and having the right plan. She can show other agents how to be successful in a lifestyle marketplace where you are on show constantly and she is also a very good marketer and negotiator.

“A great student, Cathy uses coaching to keep herself focused which is a very important part of her success. The greatest enemy of the agent is the stuff that gets in the way, and the stuff that doesn’t sell properties.”

Cathy spends much of her time working with the community and is heavily entrenched in fundraising and charitable work. She is responsible for establishing the Pretty Beach Seaside Community Markets and in 2014 founded local charity Killy Cares.

“The way she communicates and interacts with her community sets her apart as a sales agent,” Mr Hanscomb said.

Cathy believes she is the right fit for the Belle Property brand.

“We have first class support from Belle Property head office and the owners of the business, Peter and Fiona. We are fortunate to enjoy expert advice in all areas of the business, providing great opportunity for innovation, and the company understands the importance of the client and the community,” Cathy said.

The year ahead

So what does 2016 hold for Cathy? She is striving to build the most respected and relevant real estate agency on the Central Coast with a reputation that is second to none.

“I am passionate about bringing together a team of handpicked individuals from outside the real estate industry, with a view to creating a fresh approach to the lifestyle property market,” she said.

She’s also been invited to be a guest speaker at an upcoming Belle Property conference.

How is she able to fit so much into her days? “You make the time. Give the job to a busy woman and the job will get done. I’m able to prioritise the things that are important and I’m supported by an amazing team who are all passionate about our business.” ♦

CATHY'S TOP TIPS for real estate success

Cathy is renowned for her ability to build relationships and deliver client service that is second to none.

"I am 100 per cent passionate about real estate and love what I do. I wouldn't get out of bed if I didn't enjoy the challenge and satisfaction," she said.

"Every day presents something different and everyone has a different story. One of the first seminars I attended was with Bob Boland, who said 'treat every client like gold and they grow your business for you'. That is something that I naturally put into action in my business."

1 Build a referral business based on trusted relationships, rather than a transaction-based business. You must be genuine and caring in everything you do. If you are false or superficial you won't develop a referral business. Pick an area you relate to and work in it.

2 Make sure you walk the talk and lead by example in everything you do. This includes not only your team, but also the community you work in who watch everything that you do. Exceed people's expectations with the service you provide.

3 Get good people and systems around you. Prioritise things that are going to be important. I pick the activities I should personally handle and stick with a priority list.

4 Invest in education and coaching. Don't settle for second best. Be the best version of yourself that you can be. Some people go to training seminars and write notes, but have no intention of applying what they have learnt. Don't be one of those people.

5 Communication. One of the biggest failings for agents is the over commitment and the under delivery of service. This is caused by a lack of communicating.

KILLY CARES

Cathy takes her role in the community incredibly seriously and has been proactive about making a difference for those who are most in need. In 2014 this was formalised with the creation of Killy Cares – a charity devoted to supporting sick, disadvantaged and elderly people in her local area who were not already being assisted by existing community or government services.

"One of the main aims is to enable elderly residents to stay in their homes for longer periods," Cathy said. "Our volunteers provide practical assistance like transport, shopping, house cleaning and maintenance or other essential services.

"We also provide meals or food for residents in special need of assistance and offer support for those in difficult personal or family circumstances."

The importance of community and giving back is something that has been a priority throughout her career.

"All of the people who have mentored me have had a charitable cause that they are involved in. Giving back is what being a small business owner is all about. It isn't just about taking care of yourself. Working with a charity sets you apart from others who aren't interested in their clients.

"Generally real estate agents have an untrusted reputation and by working actively in the community that gravitates people to do business with you.

"Importantly, Killy Cares helps to encourage and engage other local residents with the view to care for the welfare of everyone in our community."

In its short life, the charity has captured the minds of the local community, with many volunteers rallying together to support the charity's activities. These volunteers, along with the Killy Cares management team, have made an invaluable contribution by generously donating their time, skills and expertise to benefit those who are in need.



**Give the job to a busy woman and the job will get done.
I'm able to prioritise the things that are important.**

Why I love real estate

"I believe I'm making a difference in the lives of other people. Not only the people I am doing business with, but the community in which I work. I see it as a holistic approach to my business plan. Every day I need to make a difference to be satisfied that I have had a 10 out of 10 day.

"I love that no two days are the same. The houses aren't the same. The people aren't the same. It's like writing a new story each day and you can make a difference in someone's life each day.

"I love that it is flexible and allows you to work the way you want to work and with the people you want to work with."

It's showtime!

A DAY IN THE LIFE OF
SCOTT KENNEDY-GREEN



Saturday is game day for McGrath's Scott Kennedy-Green and, with up to a dozen auctions scheduled, it's definitely hectic. Here he shares a typical Saturday with us.

In truth, my Saturday starts on Friday. That's when all the planning happens. That's when I start to get a picture of how my Saturday is really going to pan out.

As Head of Network Auctions and Chief Auctioneer at McGrath Estate Agents, I have more than 35 auctioneers operating from Queensland, throughout New South Wales and down to Victoria. Friday sees us planning our schedule for Saturday. It takes a lot of co-ordination to ensure everyone is where they need to be and plan for the best outcomes for our vendors.

And given that 95 per cent of our auctions are conducted on Saturdays, we see the day as 'game day'.

6.30AM

To be in tip-top condition, I need to be well rested – so an early night on Friday is always in order. It's a big day. Not just for us and the agents, but more importantly for our vendors and their property. So an early night is key.

I'm out of bed early on a Saturday morning and I like to have breakfast at a café in the area where I'm auctioning for the day. It gives me the chance to immerse myself in the atmosphere of the area. It also gives me some background for my first auctions of the day, so I can refer to local landmarks and the general buzz of the area in my opening spiel.



8.15AM

After breakfast I always like to wash my car. Clean car. Clean mind. It's a great way to start the day. It's one of the little rituals I like to indulge in to set myself up for day ahead.



9.00AM

It's auction time! We operate our auctions on a 45-minute cycle – 9.00am, 9.45am, 10.30am and so on over the course of the day. It's a tight schedule, so I have to make sure every auction starts on time. If I start late, even by a few minutes, it sets off a chain reaction for the rest of day. Timing is everything.

I like to take 5-10 minutes to meet and greet all of my vendors prior to each auction. Talking with potential purchasers is also beneficial. I do my homework about each property the night before and have a good understanding of how the auction is likely to roll out, so I can talk the vendors through the process.

Most auctions take about 15 minutes, which gives me 20 minutes or so to get to the next one. It's tight, but doable.



12.30PM

If I'm lucky, I might get a break around lunchtime – but that doesn't always happen. Sometimes there's no chance to stop, so it's a quick snack in the car while I'm on the run. But that's OK. That's what I've signed up to do. My vendors expect me to be there on the day and operating for them, and I always ensure I deliver.



1.30PM

My days rolls on for the afternoon session of auctions. I'll generally do 10-12 auctions on any given Saturday. It's a lot. To make it possible, we have to schedule our auctions regionally. I operate in the Eastern Suburbs of Sydney, so getting from A to B shouldn't be too far away. We don't like to stretch the boundaries too far when it comes to logistics, because Sydney traffic can be a real nightmare.



5.15PM

During daylight savings, I often have auctions scheduled through to late in the afternoon and early evening. In the winter months, I might do my last auction at 3.45pm or 4.30pm. At McGrath our philosophy is that it doesn't matter what time we do the auction, if the management of the sale has been correctly handled, the buyers will come.



6.00PM

With my last auction over, I spend time reflecting on the day. I like to get through the day with nothing less than a 100% clearance rate. It doesn't always happen, but that's my goal.

The results for our network come out in the evening, so finishing my last auction for the day doesn't mean I can switch off. I have to take stock of the day's results for the whole network. I look to my senior auctioneering team to drill down on specific results, percentages and market conditions. This is a key part of my day, because I have to deliver the results to our management team on Monday.



7.00PM

With my work day over, it's family time. I have to admit, after a really long day of calling auctions, the conversational aspects of family life can be a bit quiet! A solid day can really pull it out of you. But after 18 years, it's second nature; it's very much part of my life. Saturdays are always a hectic day, but I wouldn't have it any other way.



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Never give up

No Bull Real Estate's Edith Byrne didn't have quite the start in real estate that you would expect. But now, after 21 years, she's shown that anything in life is achievable if you believe in yourself.



Anything in life is achievable. But you have to be true to yourself and others. It's that simple.

Did you always want to work in the real estate industry?

I came into real estate by way of some messy life circumstances. Divorce left me reeling and without a home. I was feeling particularly sorry for myself, but then I thought "this is just pathetic". I told myself I could either sit around and do nothing, or I could get up and help myself. So I did – and I went off to TAFE and completed my real estate qualification.

I was a single mum raising four kids under the age of 12 and I was working three jobs. It was really hard, but I did it.

How did you get your start in the real estate industry?

I can't even count the number of rental properties I'd applied to lease. But being a single mother with four kids, nobody wanted me. One day I walked into the First National office in Edgeworth in tears. I literally begged the property manager for a house for myself and my children. She approved me for a property and I ended up living there for three years.

I eventually admitted to her that I was interested in property management. At that stage I was working as a cleaner and it just so happened that the agency needed one. So that's how I started in real estate – as a cleaner. And now I'm the Licensee of No Bull Real Estate, which I own and run with my husband Jon.

What are the key skills needed to be successful in your job?

Definitely knowledge, because your clients are relying on you for your knowledge and understanding of the legislation. Then professionalism; landlords and tenants are looking to you to do your job and do it in a professional way.

You also need to have excellent communication and people skills. You need the ability to listen. I always joke that I'm a social worker, I'm a marriage counsellor, I'm a negotiator, I'm a handyman. I'm really a jack-of-all-trades!

What has been the highlight of your career so far?

That's easy! Without doubt, winning the Residential Property Manager award at the 2015 REINSW Awards for Excellence. It took me eight years of entering! There was no way I was giving up. It was really, really special. I just couldn't believe it; I'd won.

What are your goals for the next 12 months?

This year, one of my goals is to become a member of the REINSW Property Management Chapter Committee. That's the big one! And I'm also committed to sharing my passion with young up-and-coming property managers who are new to our industry.

I've also challenged myself to do more in the local community. We have lots of tenants that are really struggling and I want to do more for them. And I want to take my family on a holiday!

When you're not at work, how do you like to spend your time?

For me, it's all about family. Even though Jon and I work and live together, it still seems like we don't see each other. I like to make time for him and my children. And my grandson is the light of my life. He lives up in Queensland, so I don't get to see him as much as I'd like – but when I do, everything else is put on hold!

Is there a particular adage that you live by?

Treat others how you would like to be treated. It's how I've always lived my life and I've taught my children the same.

What's the best advice you would give your younger self?

Never give up. Live your dreams. Set goals for yourself. Anything in life is achievable. But you have to be true to yourself and others. It's that simple. ♦



READ MORE
reinsw.com.au/journal

Champions for co-regulation

REINSW's proposed co-regulation model will result in a stronger regulatory environment and secure a prosperous future for the profession.

By TINA LIPTAI

Improving professional conduct in real estate practice through better education, robust licensing requirements and targeted ongoing training has been high on REINSW's lobbying agenda for a number of years. Fundamental to this end has been REINSW's push to revamp the industry's regulatory environment through the introduction of co-regulation.

REINSW believes it can make a valuable contribution to the regulatory environment and professional conduct of real estate agents in New South Wales. This can be achieved through an industry-funded and shared regulatory function with NSW Fair Trading.

Though REINSW's lobbying and proposal for co-regulation has been met with some reluctance from government in the past, REINSW CEO Tim McKibbin is confident significant steps towards a more collaborative approach to better regulation and compliance will be implemented this year.

"Our lobbying for co-regulation has come about through our concern that the current regulatory environment is not serving the interests of consumers, real estate agents and the market generally," Mr McKibbin said. "Other professions have clearly demonstrated that associations have a significant role to play in the regulatory environment. We've seen similar models work in other professions in NSW and also within the real estate industry in other states. We believe a co-regulation model that sees REINSW and the regulator working together co-operatively is the best way forward for all stakeholders.

"We have seen a willingness from Minister Dominello to engage in discussions regarding



We believe a co-regulation model that sees REINSW and the regulator working together co-operatively is the best way forward for all stakeholders.

the benefits of co-regulation and I believe there is general acceptance in the profession and government that it would improve the regulatory environment and professional conduct of the real estate industry," Mr McKibbin said.

Described by Mr McKibbin as a "mechanism for additional co-operation between the profession and the regulator," the suite of related services proposed in REINSW's co-regulation model is designed to complement and enhance the regulatory function of government.

The proposed model would see REINSW more involved in the regulation and improvement of professional conduct of real estate practice throughout the state. Key to REINSW's regulatory function would be to ensure a two-way flow of information and knowledge between the regulator and practising agents.

Mr McKibbin said this model would generate a far better regulatory environment that can more effectively respond to the issues facing contemporary real estate practice. REINSW would be actively involved in communicating regulatory obligations to the profession and drive compliance with incentives, rather than the threat of penalty.

"We all want the same thing – professional delivery of service that meets or exceeds the expectations of consumers within a robust regulatory environment designed to encourage and support that outcome.

"Our proximity to the everyday challenges and issues facing the industry and profession gives REINSW a unique insight and understanding of the needs of agents, the market and consumers. This puts us in a prime position to assist the regulator to make decisions that better reflect the contemporary issues facing



the industry and to effectively communicate regulatory obligations to the profession,” he said.

The proposed model

“Our proposal is for a suite of services that would work with and complement those of the regulator. At the heart of our model is improved education – we believe this is key to compliance. It would also see REINSW involved in complaints handling and mediation, in-house compliance reviews, and maintaining Continuing Professional Development and professional indemnity insurance registers,” Mr McKibbin explained.

Central to the proposed model is the formation of an Advisory Committee, which would include representatives from REINSW and other industry representative bodies, along with NSW Fair Trading. REINSW and the other industry bodies would regularly report on data gathered through the newly assigned functions in regulatory compliance. This data, which is not currently available, would give the Advisory Committee better insight into the daily challenges and compliance issues faced by the profession.

“The data flowing back to the committee would drive targeted education and address problems identified within the profession. A compliant profession benefits everyone and is best achieved through education and review of processes and procedures,” Mr McKibbin added.

Compliance reviews, registers and mediation

“It has long been our view that compliance within the profession could be improved, and is an area that we can assist with. In part, our compliance

reviews will ensure the investment government makes in creating legislation to assist agents and the consumer isn’t wasted.

“These reviews will identify where agents and agencies are compliant and those areas that need attention. The reports, supplied to the Advisory Committee, will identify trends of non-compliance and help inform the development of targeted training and education.

“Creating registers for CPD and professional indemnity insurance, maintained and audited by REINSW with the backing of the regulator, sends a clear message to the profession and consumers about the importance placed on compliance with these obligations. It will ensure continued professional development and influence the quality of that training while significantly increasing the number of agents completing their CPD and maintaining professional indemnity insurance,” Mr McKibbin said.

REINSW would also take an active role in facilitating mediation for aggrieved consumers.

“We believe the majority of complaints concern poor service, rather than dishonest conduct, which puts REINSW in a good position to engage all parties and reach a satisfactory resolution,” Mr McKibbin said. “A flow on benefit of this function is data. Identifying common complaints will enable the development of targeted CPD.”

Next steps

With general acceptance by government and the profession that co-regulation would positively improve the regulatory environment, Mr McKibbin said discussion must now turn to deciding on the best model that addresses the unique needs of the industry in NSW. ♦

“

A compliant profession benefits everyone and is best achieved through education and review of processes and procedures.

BENEFITS OF A CO-REGULATION MODEL

A co-regulation model benefits every sector to the real estate industry.



1 THE PROFESSION

- Improved standards of professional conduct, training and education
- Better communication to ensure agents have a clear understanding of the legislation and their compliance obligations
- Regulations will better reflect the current needs and challenges of the industry
- Agents will have an improved reputation for professionalism and standards of conduct



2 CONSUMERS

- Improved forum for mediation and complaints resolution
- Increased education and professional conduct within the industry will result in better service and overall outcomes for consumers
- Improved reputation for professionalism within the real estate industry means the public will have more confidence in the market, resulting in a stronger market



3 THE WIDER INDUSTRY

- Better flow of information to the regulator will result in a greater understanding of the needs of the industry
- Creation of Regulations that are both relevant to the challenges facing the industry and can be implemented effectively to contribute to a stronger market
- A strong regulatory structure means non-compliance would be detected quickly and resolved



I would like to congratulate REINSW for their leadership and commitment to a highly skilled, professional real estate industry.

VICTOR DOMINELLO
Minister for Innovation and
Better Regulation

Working together

Minister for Innovation and Better Regulation, Victor Dominello, has been working closely with REINSW to improve the regulatory environment. Mr Dominello said he values the knowledge and experience REINSW brings to guide regulatory reform.

“I am committed to working with the real estate industry to encourage the best possible regulatory outcome,” he said.

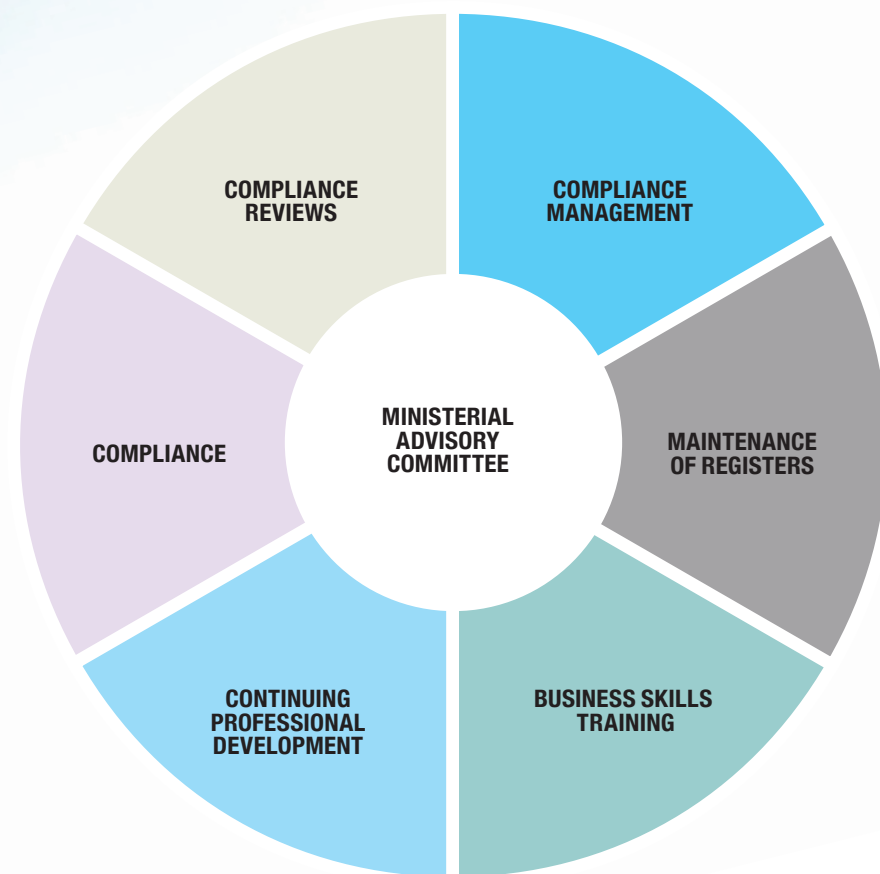
“To this end, we have established a new Real Estate and Property Division within Fair Trading, with its own dedicated Commissioner. The new division has a clear focus on consultation and collaboration. It includes an ongoing Real Estate Reference Group, where key industry and Fair Trading staff come together to guide and develop regulatory reform.

“The Reference Group is also working with the Professional Standards Council to assist in the improvement of industry standards, practices and member conduct. Their knowledge and experience is invaluable to the industry in its journey towards greater professionalism.

“I would like to congratulate REINSW for their leadership and commitment to a highly skilled, professional real estate industry. As we continue to work collaboratively with REINSW on a road map for greater accountability and responsibility, I see only benefits for the sector and consumers.”

REINSW's proposed co-regulation model

The proposed co-regulation model will see REINSW involved at critical points in the regulation and oversight of the profession.



We believe the majority of complaints concern poor service, rather than dishonest conduct, which puts REINSW in a good position to engage all parties and reach a satisfactory resolution.

MINISTERIAL ADVISORY COMMITTEE *comprising representatives from government and professional associations, including REINSW*

The Ministerial Advisory Committee will be the governing body with oversight of the regulatory functions assigned to REINSW.

COMPLIANCE

REINSW will have an in-depth consultative role in the development and maintenance of the regulatory environment.

CONTINUING PROFESSIONAL DEVELOPMENT

Agents will be required to complete six hours of mandatory professional development annually.

Professional associations, including REINSW will deliver three hours of that training from material developed and prescribed by the Ministerial Advisory Committee.

Agents will have the flexibility to complete the remaining three hours in their area of specialisation with other training providers approved by the Ministerial Advisory Committee.

COMPLIANCE REVIEWS

Professional associations, including REINSW will conduct compliance reviews in accordance with an audit program created and maintained by the Ministerial Advisory Committee.

This function will be educational and focused on encouraging compliance.

COMPLIANCE MANAGEMENT

REINSW will provide a consumer complaints handling process.

Through the process, the parties will be offered the opportunity to resolve their dispute via mediation.

MAINTENANCE OF REGISTERS

REINSW will create and maintain a Continuing Professional Development register and a Professional Indemnity Insurance register. These registers will help agents meet their compliance obligations in this area.

BUSINESS SKILLS TRAINING

REINSW will develop and deliver training material to equip agents for the transition from employee to agency owner.

Agents who want to operate their own business will need to successfully complete this training to have the restriction removed from their licence.

Considering buying another rent roll?



STEPHEN FRANCIS

ROSS HEDDITCH

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It's time to electronically sign

The ability to electronically sign real estate agreements and forms will be a big step forward for the profession.

By TIM MCKIBBIN

With each passing day we find ourselves increasingly challenged by the pace of change, particularly when it comes to the impact of technology. The world we live in today is fundamentally different from what it was 10 or even five years ago. Every day, we are under pressure to respond faster and work more efficiently.

In this environment, it is startling that we still resort to the traditional pen and paper when signing and exchanging agency agreements and other documents. In years gone by our marketplace was limited to our suburb or our city, but the world has changed and we are now working globally. Our clients are from different cities, different states and different countries. We deal with vendors and purchasers transacting property across the globe, and sending physical agreements and documents to multiple locations for signature is undoubtedly an inefficient way to do business.

Electronic signatures allow contracts and agreements to be turned around in seconds, rather than the hours or even days it can sometimes take to complete an agreement in hard copy. An electronic signature can move between a solicitor, conveyancer, real estate agent, vendor, purchaser, landlord and tenant instantly, allowing for greater transactional and cost efficiencies.

There has to be a better way

In this day and age, we should be doing things differently.

“

It is critical for NSW to step to the forefront. We will continue to lobby on this issue.

Electronic transactions are a valid and binding way for parties to contract, and have been since the invention of the telegraph. The common law recognises this. Even where legislation requires a transaction to be “in writing” and “signed”, the courts have held these requirements are satisfied where the transaction has been entered into by fax or email transmission (provided the transaction complies with all other legal requirements for a valid and enforceable agreement).

As we know, technology develops quickly and the legislation has not kept up. The legislation enacted in 1999 to deal with electronic transactions simply did not contemplate the technology we have at our fingertips today.

The technology is here and we can see the benefits. Electronic transactions offer efficiency and convenience, and are clearly the way of the future. However it is important that parties entering into agreements in this way have certainty about the validity of their contractual relationships. So REINSW is on a campaign to provide the profession with a contemporary technology solution that will provide certainty of contractual relations

and is specifically tailored for real estate transactions.

It's time for change

In November 2014 we saw the introduction of a system allowing people to lodge all conveyancing documents, including Land Registry, property transfer, refinance and financial settlements online. This is a great step forward, however there is still more to be done. The next step is signing agency agreements.

Without doubt, the grey areas in the legislation impact efficiency and consumer convenience within the real estate industry. So REINSW, along with our sister Institutes from across the country, have asked the Commonwealth and all State and Territory Attorneys-General to amend the legislation to remove all doubt about the legality of electronic real estate transactions.

It is critical for NSW, which has the highest volume of transactions in the country, to step to the forefront. We will continue to lobby on this issue. It is really only a matter of time before this is implemented, but we should not allow the government to drag its feet on something that will significantly benefit the consumer and the industry. ♦



TIM MCKIBBIN is the CEO of the Real Estate Institute of New South Wales.



LOOKING TO GROW YOUR BUSINESS IN 2016?

Still working on the best method to grow?

Betting on what property markets will do in 2016 could be costly. Whatever happens, what's your plan for growth in listings and property managements? Are you going to hire and incentivise a BDM? Incentivise property managers and sales people? Identify and convert sales from your rent roll?

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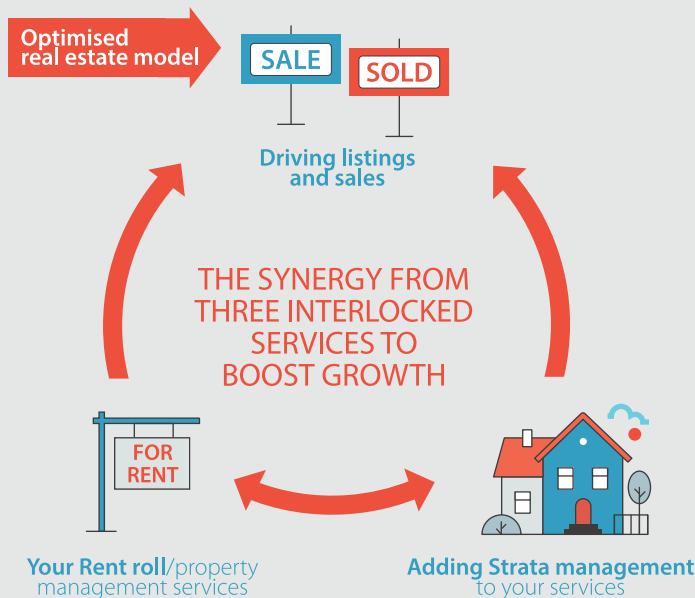
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1. Build a \$1M asset and additional \$240,000+ annual income for your real estate agency for every 135 strata/body corporate schemes*
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5. Benefit from better cashflow and business security with 1–3 year strata contracts

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What's left for you to do:

- **Build relationships** with clients – this got you where you are today
- **Win new strata buildings** through existing property management clients – we show you how
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The bottom line is, you own the client, it's your agency agreement and it's your asset to sell at any time. You outsource the hard work to us.

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*Based on strata industry average scheme size and Westpac Banking valuation on fixed management fee income.

Coping with a cooling market climate



By DOUGLAS DRISCOLL

The once-in-a-lifetime market might be over, but that doesn't mean the real estate industry has cause to panic.

In the midst of a cooling market, the industry is full of unnecessary doom and gloom. Now more than ever we need to take stock of our current predicament and focus on the many positives that still exist. Short-term pain often leads to long-term gain, as a change in market conditions can afford some unique opportunities, and a tough market is the perfect chance to prove your worth to vendors and demonstrate your value to the sales process.

It's easy for some agents to lose perspective and prematurely scribe the market's obituary. In particular, those who joined the industry in the last three years – who might not have experienced the ups and downs of the real estate cycle – can struggle. Often it's these agents who exit the industry when the market softens.

Yes, conditions have cooled. However let's not forget that we are transitioning from not just a once-in-a-generation market, but potentially a once-in-a-lifetime market. Did we really expect the boom market to sustain such a steep growth trajectory?

Tackling the market imbalance

The exponential rise of Sydney property prices added fuel to talk of a 'bubble', but thankfully the market has started to level off. The recently introduced macro-prudential measures may have put the cat amongst the pigeons but, despite the initial sense of confusion and uncertainty, they are needed. The market was outperforming even the most optimistic forecasts with property prices increasing at an alarming and potentially unsustainable rate.

Encouraged by record-low interest rates, investors were acquiring a massively disproportionate amount of property, leaving

scores of owner-occupiers on the sidelines. It's a relief to see lending institutions now taking a more responsible approach. They have a greater focus on stimulating owner-occupier lending and ensuring investors aren't exposed to unnecessary risk. These measures may not be universally popular, but they are necessary. After all, irresponsible lending was one of the main catalysts of the global financial crisis.

Back to basics

Inevitably, the cooling market does make properties slightly harder to sell. For agents, the key – as it always has been – is to get back to basics. This means providing clients with honest advice to help align their expectations with current market reality. There is the opportunity for all agents to exhibit exemplary service, demonstrate their skills and show value. As the market flattens, stronger agents will enjoy greater success. To differentiate themselves from competitors, agents should focus on taking a proactive approach to sales, concentrating on working their databases more arduously and becoming less reliant on web portals.

Despite the fact that lenders have raised interest rates and become more prudent, now is still a great time to be in the property game. My advice for agents is to remain calm, maintain focus and make delivering exemplary service a priority. ♦



DOUGLAS DRISCOLL is the CEO of Starr Partners.

Tips to help you survive and thrive in a tough market

Strategies

Prioritise customer service and strive to maintain good client relationships. You should also work diligently towards attracting a steady stream of clients.

Return to databases

Work your database harder and allocate more resources to growing it and getting it into tip-top shape. You should focus on traditional sales techniques, such as advertising handouts, emails and phone calls, to create new business leads.

Focus on education and skill development

Now is the perfect opportunity to place greater emphasis on upskilling, staff education and training programs. Take stock of your personal abilities, and concentrate on addressing your weaknesses and developing your strengths. Sales skills, in particular, should be polished and updated.

Concentrate on quality, not quantity

Focus on building strong client relationships, as today's customer is tomorrow's referral. Providing vendors with realistic, authentic advice and managing price expectations to reflect local market conditions are great ways to demonstrate your value. Maintaining good after-sales contact is another important consideration, as your attentiveness can play an important role in attracting new clients.

Maintain perspective

Instead of focusing on negative reports about the general property market, concentrate on your on-the-ground experience. Pay close attention to any changes in area demographics and price points, with the goal of adapting sales campaigns to local market conditions.

Raising the bar



Real estate education standards have languished for far too long. As the NSW Government completes a review of the requirements, REINSW has made its case for a more robust and comprehensive regime.

By CATH DICKINSON

“Upon the subject of education ... I can only say that I view it as the most important subject which we as people can be engaged in.” So said Abraham Lincoln. And it’s a view wholeheartedly shared by REINSW.

For more than 10 years, REINSW has been lobbying the government to review and improve education standards for our profession. But as REINSW has been calling for higher standards, the government has instead removed all barriers to entry in their pursuit of serving the interests of competition.

“We support competition as an essential market force and as a mechanism for quality service,” REINSW CEO Tim McKibbin said. “But equally, we strongly believe that the competition must be competent.

“Yes, the current training regime has achieved increased competition. However it’s also had the effect of diluting the aggregate skills and competencies of the profession to the detriment of the property consumer.”

Review aims to raise standards

NSW Fair Trading has asked an independent four-person panel to review existing training standards within the property industry. Members of the panel were nominated by industry stakeholders, including REINSW.

In its Discussion Paper regarding the review, NSW Fair Trading said: “If the key role of an agent is to appraise the potential sale or leasing price of a property and to recommend a listing price, a certain level of skill is needed to perform this task.”

The Discussion Paper goes on to say: “There are also technical skills needed to manage trust accounts, as agents typically handle large amounts of money as deposits for vendors/purchasers, rents collected on behalf of landlords and rental bonds.”

The Minister for Innovation and Better Regulation, Victor Dominello, supports the review and describes training standards as a “major issue” for the real estate industry.

At the REINSW Industry Summit in November 2015, he congratulated the Institute on its leadership in this area and acknowledged that “the industry needs to raise standards, there’s no doubt about it.”

Mr McKibbin has welcomed the review. “We’re pleased to have the opportunity to formally put our proposals for reform to the government on this important issue,” he said.

Experience counts

“There needs to be a marriage between theoretical learning and the knowledge and experience a student gains on the

job,” Mr McKibbin said. “Learning is not the product of teaching alone. It is also the product of activities completed by the learner themselves.

“If a student does not have the benefit of theory, then they will do what they have been shown but will not understand why they are doing it. Equally, if there is an absence of practical experience, the student will understand what needs to be done but will not know how to do it.

“Practice makes perfect, and each level of education under REINSW’s proposal ensures an adequate balance between theoretical learning and practical experience.”

Submission

In its submission in response to the Discussion Paper, REINSW outlined its views about increasing and improving education standards at all levels of the profession.

“The overwhelming majority of issues that attract the attention of the regulator and aggravate consumers can be resolved by substantially improving the education of property professionals,” Mr McKibbin said. ♦



READ FULL SUBMISSION
reinsw.com.au/submissions

Certificate of Registration

REINSW has proposed that any new entrant to the profession should be required to successfully complete seven units of competence, and then only be able to apply for a provisional Certificate of Registration.

Under REINSW's proposed regime, the new entrant would then have two years to complete a further 17 units to acquire their full Certificate IV in Property Services (Real Estate) and apply for removal of the provisional notation on their certificate.

"Completing seven units of competence and obtaining a provisional Certificate of Registration is not an unreasonable or onerous pre-requisite to starting employment," REINSW CEO Mr McKibbin said.

"One of the common complaints we hear from employers is that new entrants are not 'job ready'. Completing the three additional units prior to starting work will at least in part address this. Then, with the extra study required to achieve the Certificate IV plus the two years of practical experience, the individual should develop into a capable, knowledgeable and skilled professional."

Real Estate Licence

There's a reasonable market expectation that the services offered by a licensed real estate agent are superior to those of an agent holding only a Certificate of Registration. That market expectation and the agent's desire to distinguish themselves needs to be supported by tangible education and experience.

Therefore, REINSW has proposed that in order to be eligible to apply to the regulator for a Real Estate Licence the applicant should complete the Diploma in Property Services (Agency Management).

In the case of an individual becoming a Licensee-in-charge, there will be an additional step. The skills and knowledge required by an agency owner are vastly different to those of an employed licensed agent. With this in mind, REINSW proposes that any agent who wants to own and operate their own agency must have at least two years' experience working under the supervision of a licensee-in charge.

"This requirement will, at least in part, protect the inexperienced agent from their own exuberant ambitions, which may potentially result in business failure and consumer detriment," Mr McKibbin said.

Ongoing education

REINSW firmly believes that Continuing Professional Development is an essential element of the maintenance of professional skills.

"It's a sad fact that there are plenty of quick and cheap providers of CPD," Mr McKibbin said. "The benefits of a quality CPD program are many. A properly designed and policed CPD program will provide the profession with structured learning about the requirements of new laws, as well as keeping them up to date with market trends affecting the interests of consumers.

"It's difficult to understand how our profession is to remain compliant, particularly with the ever-increasing activities of government within the real estate space, if there is no mandatory and structured education program.

"It's naive for government to believe that every member of the profession will voluntarily and proactively seek out an understanding of these issues and then amend their agency procedures and processes to comply. The legislative intent of Parliament will only be achieved if those at the coal face are properly educated on an ongoing basis with respect to the legislative and regulatory instruments governing practice."

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Rallying our response for residential tenancies reform

As the NSW Government conducts the five-year review of the Residential Tenancies Act, REINSW harnessed the collective knowledge and experience of members to craft its case for reform.



By CHRISTOPHER CAREY

The residential property market in NSW is entering a new era. There are now more than 820,000 residential rental households across the state, and demand for quality rental accommodation is set to rise over the coming years as more and more people move to NSW. Landlords, tenants and property managers need residential tenancy laws that respond to the market's contemporary needs and strike the right balance between flexibility and certainty.

The *Residential Tenancies Act 2010* introduced significant changes to the regulation of residential tenancies in NSW. Now, a little more than five years on, it's time to review the Act with a view to ensuring the right laws are in place to manage future developments in this vital area of real estate practice.

In June 2015, knowing that the mandated five-year review of the Act was imminent, the REINSW Property Management Chapter Committee took the decision to get ahead of the game. They formed a dedicated sub-committee to comprehensively review the Act and recommend changes. By the time the government's Discussion Paper was released at the end of October 2015, the sub-committee had already compiled a detailed list of recommendations. Drawing on their own collective experience of more than 150 years in property management, the sub-committee also sought input from REINSW's wider membership.

REINSW submission

REINSW used the sub-committee's work to form the basis of its submission in response to the Discussion Paper. Due to the many months of work by the sub-committee, the resulting submission not only addresses the specific points set out in the Discussion Paper, but goes much further. It provides the government with a detailed account of the changes that need to be made to the Act to ensure fair and equitable outcomes for all parties involved in a transaction.

Following is a summary of the just some of the recommendations set out in REINSW's submission, which was lodged at the end of January 2016. ♦

Thanks to the sub-committee

REINSW would like to take the opportunity to extend a sincere thank-you to the members of the sub-committee. Their tireless efforts and dedication over many months provided REINSW with the best possible foundation for our submission to the government.



TIM ANDERSON
REINSW Life Fellow



SANDRA MCGEE
Rental Manager
at Starr Partners



LYN KIMBALL
Director and Property Manager
at Fitzpatricks Real Estate



GARY TRIGANZA
Property Manager
at Miles Felstead Realty



KELLIE EAGLES
Property Management Director
at Elders Queanbeyan/Jerrabomberra

Standard tenancy agreement

The standard residential tenancy agreement is home to the terms and conditions binding the landlord and tenant. It must ensure a fair and equitable outcome for all parties and account for matters such as safety and mutual respect.

To achieve these aims a number of amendments are required, as well as the insertion of some additional provisions. Many of these already appear in the REINSW Residential Tenancy Agreement and we believe the standard tenancy agreement as set out in the *Residential Tenancies Act* would benefit from their inclusion. REINSW has recommended the following.

NEW TENANT OBLIGATIONS

In relation to safety installations on the premises, such as smoke alarms, swimming pool fences and window safety locks, the tenant should be obliged to:

- reimburse the landlord for any call-out fees where the tenant fails to provide access to the premises for safety inspections;
- immediately advise the landlord if there is an issue with a safety matter on the premises; and
- not interfere with safety installations on the premises.

The tenant should also be obliged to professionally clean the carpet and fumigate the premises when pets are kept on the premises.

ADDITIONAL PROVISIONS

To provide further clarity in relation to common issues arising in relation to residential tenancies, additional provisions should be inserted to:

- prohibit smoking within the premises;
- deal with the prevention of mould by the tenant;
- require the tenant to pay for pest control after the first 90 days of the tenancy;
- allow the landlord and tenant to agree on the timing and responsibility of payment for carpet cleaning;
- require a higher bond for furnished premises;
- require a higher bond where pets will be kept on the premises; and
- allow the option for the provision of certain services (e.g. cleaning).

Holding fees

At present, there are a number of issues that can arise for landlords in connection with the acceptance of holding fees.

One issue is that a holding fee currently binds the landlord to the approved applicant, but does not bind the approved applicant to the landlord. The landlord is effectively obliged to take the property off the market, but the applicant can withdraw their application at any time before the agreement is signed. This means that the landlord misses the opportunity to consider other potential tenants during the holding period.

Another issue is that accepting a holding fee prior to an existing tenant vacating the premises can leave the landlord liable to pay temporary accommodation costs for a new tenant if the property is not vacated on the agreed date.

These issues need to be resolved in the revised legislation.

Recommended: If the holding period exceeds seven days, the holding fee should be able to be increased to the equivalent of a maximum of 14 days' rent.

Recommended: If a holding fee is accepted prior to the existing tenant vacating the premises, the fee should be subject to the existing tenant vacating (as the tenancy agreement will not be able to be signed until after the tenant vacates). A holding fee equivalent of a maximum of 14 days' rent should be payable in these circumstances.

Recommended: If the approved applicant fails to sign the tenancy agreement within the seven day holding period or by the original agreed signing date (whichever is earlier), the landlord can give notice that the property is being placed back on the market. In such a case, the holding fee will be forfeited by the approved applicant.

Rental arrears

The current provisions relating to termination for rental arrears and late payment of rent do not strike the right balance between the interests of the landlord and those of the tenant.

TERMINATION

The timeframe whereby a landlord has to wait for 14 days to elapse before serving a termination notice for non-payment of rent is excessive. By the time a hearing at NCAT is heard, the tenant is in significant arrears which can result in hardship for the landlord.

Recommended: As the tenant protections under the Act allow them the opportunity to rectify non-payment of rent, REINSW believes the landlord should be able to serve a termination notice for non-payment of rent after seven days, rather than waiting 14 days. This will create a more equitable balance.

LATE FEES

Unfortunately there are tenants who routinely manipulate the system by being 13 days in arrears, and a late fee may encourage these tenants to pay on time.

Recommended: The introduction of late fees for rental arrears should be considered.



READ FULL SUBMISSION
reinsw.com.au/submissions

Rental bonds

Without doubt, there are aspects of the bonds regime that need to be modernised to meet the needs of the current marketplace.

MAXIMUM BOND AMOUNT

The current maximum bond of four weeks' rent does not provide for an equitable balance between the landlord and the tenant. Legislation in other states recognises that there are circumstances where a higher bond is necessary.

Recommended: The legislation should provide for the ability to apply a bond of six weeks' rent where the premises are furnished or the rent is more than \$450 per week.

BOND TOP-UP

Where a tenant has leased a property for a number of years, the bond will no longer be in line with the market. This creates difficulties for landlords who need to carry out repairs at current market prices when the tenant vacates.

Recommended: A bond top-up option be allowed where a tenant has occupied a premises for more than three years. This not only protects the landlord, but also the tenant by ensuring no financial hardship or surprise in relation to the bond amount when finding a new premises.

PET BOND

Prospective tenants with pets are often overlooked by landlords.

Recommended: To level the playing field for all prospective tenants, a pet bond should be introduced. Prospective tenants regularly offer to pay landlords a pet bond, even though the legislation does not currently require it.

HIGHER BONDS BY CONSENT

Some prospective tenants have no previous rental history and have a limited ability to demonstrate their capacity to be a good tenant. They are seen as high risk by landlords.

Recommended: Landlords be permitted to accept a higher bond amount with the tenant's consent.

FURNISHED PROPERTY BOND

Landlords see risk in leaving their furniture when moving interstate or overseas, because the bond amount is too low to cover the cost of any damage. So they often choose to store their furniture and pay removalist fees, rather than lease the premises furnished. Having more furnished property on the rental market creates greater choice for prospective tenants.

Recommended: The furnished property bond be reinstated at the equivalent of at least six weeks' rent.

Balancing the rights and obligations of landlords and tenants

There are a number of areas in the current legislation that would benefit from further clarification in order to produce a fairer outcome for landlords and tenants.

TENANT'S RIGHT TO QUIET ENJOYMENT

The current section 50(3) requires a landlord to take all reasonable steps to ensure the tenants of neighbouring properties do not interfere with the quiet enjoyment of the tenant. It is unreasonable to expect a landlord to influence and change events, environmental conditions and behaviours over which they have no control and then penalise them for failing to do so. REINSW believes that further clarification is required.

Recommended: An additional sub-section be added to the effect that the landlord is not responsible for their tenants' quiet enjoyment being impacted from neighbouring properties where the landlord does not own the neighbouring properties.

SAFETY OBLIGATIONS

The obligations of tenants with regard to safety need to be clarified.

Recommended: Additional clauses should be added to the standard tenancy agreement to clarify tenants' obligations in relation to vital safety issues such as smoke alarms, swimming pools, window safety locks etc. These additional clauses should require the tenant not to interfere with any safety installations on the premises and require them to advise the landlord if there is an issue with a safety matter on the premises. REINSW has provided draft clauses for consideration in its submission.

Email as written notice

It's time for the *Residential Tenancies Act* to keep pace with contemporary technology. At a time when Australia Post has brought in a three-tier system for mail service (making cheaper letters two days slower than premium ones) and facsimile continues to lose ground, the RTA needs to recognise email as a means of communication. Of note is the fact that NCAT provides service of notice of a hearing via email.

Tenants and landlords frequently nominate email as their preferred method of communication, so there seems to be little reason why email should not be a legislated method of service for landlords (and therefore agents) and tenants.

Recommendation: Email should be accepted as a method of giving notice. The addresses of tenants and agents (on behalf of landlords) should be stated on the tenancy agreement and the tenant is obliged to notify any change to their email address within 14 days of the change occurring.

Responsibilities of property managers

Any regulation relating to the safety and standard of residential premises should apply to all residential premises, not just tenanted residential premises. And inspection and enforcement of any building or safety requirements needs to be done by an appropriately qualified professional.

Property managers are currently placed in the unenviable position where they have to make representations about the integrity and mechanical worthiness of a number of aspects of a property in respect of which they are not qualified to comment, including glass, asbestos, window safety locks, smoke alarms, decks and balconies, lead paint, electrical installations, swimming pools and blind cord safety.

Property managers do not possess the requisite skills, expertise, knowledge or competencies to discharge these obligations adequately, and so tenants who rely on their opinions in these areas are being placed at risk. REINSW is firmly of the view that any compliance matters should be certified by the landlord (as the person who is most familiar with the property) or a qualified building professional.

Often landlords are reluctant to carry out repairs and alterations as they are not aware of the legal requirements. Therefore, specific information should be provided to landlords to make them aware of the matters which must legally be addressed before a tenancy can proceed. Therefore, government needs to look at improving consumer education.

“

REINSW is firmly of the view that any compliance matters should be certified by the landlord or a qualified building professional.

Termination notice periods

NO GROUNDS NOTICE

Currently, when a landlord gives a 90-day no grounds notice of termination, the tenant is able to vacate the property immediately. This can leave the landlord with no opportunity to find a replacement tenant and having to bear the associated costs.

Recommendation: The tenant should be required to give at least 21 days' notice if they wish to vacate before the expiry of the 90-day period.

TERMINATION OF FIXED TERM TENANCY

The disparity in notice periods in the case of a fixed term tenancy needs to be addressed. Whereas a landlord has to give 30 days' notice, a tenant can move out with 14 days' notice.

Recommendation: The minimum notice period for both parties should be changed to 21 days.

EARLY TERMINATION BY TENANT

The current section 100(1)(c) is a constant source of confusion and needs clarification. The section protects tenants, on the assumption that all landlords are devious.

Issues arise when a landlord's circumstances change after a lease has started and the landlord needs to sell the property. The section has the effect of allowing tenants to terminate the lease where the landlord has exchanged the contract for sale, subject to the tenancy. This can cause the landlord to be in breach of the contract, losing the purchase and possibly having to pay damages to the prospective purchaser.

Recommendation: In the interest of fairness to both the landlord and the tenant, the section needs to be redrafted.

TERMINATION BY TENANT FOR BREACH

In relation to termination by a tenant for breach by the landlord, it is essential to consider the nature of the breach. Is it persistent, significant or serious?

Recommendation: In order to create the scope for the parties to resolve any issues, section 98(1) needs to be amended so that termination is only permitted if the landlord's breach related to an essential or material term of the tenancy agreement.



CHRISTOPHER CAREY is the REINSW Membership Manager and co-ordinated the Property Management Chapter sub-committee's review of the *Residential Tenancies Act 2010*.

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The power of the cloud

Cloud software can benefit businesses of any size and is the way forward in modern software technology. So what does cloud software mean for your real estate business?

By SARAH DAWSON

Cloud software comes with several significant advantages and if your real estate business is yet to transition, these benefits may inspire you to make the change.

1 Scalability
The great thing about cloud services is that they are a purchased service, payable monthly. You pay for access to services, rather than paying huge amounts to have customised software designed around your business. This means you can access the software infrastructure you need at any given time. If you need to expand your software as your business grows, you can access more services. So you can get what you need, when you need it.

2 Reduced IT costs
IT staff and infrastructure can be costly to your business. Cloud computing means your software and data is all stored on the cloud, and all maintenance and security issues are managed by the cloud service provider. This maintenance and security is generally of a higher standard than that which many firms can provide themselves, cutting IT costs significantly.

3 Flexibility
Have you ever been on the road and need to check client information? No problem. With cloud software you can access your information from anywhere, at any time, on any internet-connected device. This allows for workplace flexibility, as you can work from anywhere – the office, home or even a café.

4 Device integration
The cloud facilitates the 'Internet of Things', which is a term used to describe the inter-connection of various devices to access information. The Internet of Things is set to transform the way we operate, both personally and professionally. As this concept further develops there will be an increased array of devices and products that can integrate with your cloud software.

5 Data security
Traditionally, your data is stored on local hard drives. If they are damaged your data is lost, which can be catastrophic to your business. With the cloud, all your information is stored securely at a remote location – so there's always a back-up. It also means that you no longer need to transport data on USBs or external hard drives, as everything you need is available on the cloud.

Is your current technology providing your business with these benefits? Cloud software is set to increase in popularity and will continue to provide many benefits to real estate businesses. ♦

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Cloud software is set to increase in popularity and will continue to provide many benefits to real estate businesses.



SARAH DAWSON is the Head of Real Estate Sales at Rockend.



Acting with authority

Stepping outside the scope of your agency agreement to assist a foreign purchaser can have serious implications. Here's how one agent found themselves in court.

By NANCY RAINBIRD

Real estate is a service-oriented industry and, more and more, selling agents now find themselves working closely with potential purchasers to nurture them through the transaction. It benefits the vendor by facilitating a smooth transaction and it creates a positive foundation for a future relationship with the purchaser. After all, today's purchaser becomes tomorrow's vendor.

A recent Victorian case demonstrates how things can get tricky if a foreign purchaser seeks advice and assistance from the selling agent as they seek to navigate their way through the transaction and understand the rules and their obligations when purchasing property in Australia.

Contract conditional upon FIRB approval

In *Hong v Tsambikos* [2015] VCC 1401, the vendors entered into an agreement to sell their property to the purchasers. The purchase was conditional upon the purchaser obtaining approval from the Foreign Investment Review Board (FIRB) by a particular date. The purchaser did not obtain approval by that date, and subsequently sought to rescind the contract and have the deposit returned.

The vendors claimed that the purchaser was not entitled to rely upon non-compliance with the condition as they had failed to take reasonable steps to obtain the FIRB approval.

Realcover became involved in the case when the agent was joined in the proceedings. The purchaser alleged that the agent had made representations to the effect that he would apply for FIRB approval on their behalf, which would be obtained by the relevant date.

Only act within the limits of your authority

The Court found that while the agent had agreed to assist the purchaser with their FIRB application, they had not actually agreed to make the application on behalf of the purchaser. So there was no actionable misrepresentation that could be relied upon by the purchaser.

But what if the agent had in fact agreed to assist the purchaser with their FIRB application and the

purchaser relied on that representation in order to satisfy the contract's condition? Would the agent have been liable for the loss caused by their failure to act in a manner that was consistent with the representation?

The Court was not satisfied that assisting the purchaser with their FIRB application fell within the scope of the agent's ostensible authority, so any liability arising from the application would have been the responsibility of the agent. The agent would not be able to assert that they were acting on behalf of the purchaser by assisting with the application.

Independent advice is a must

Ultimately the purchaser was able to avoid the contract as the Court found that it was unlikely they would have received FIRB approval. However, this case is a timely reminder to agents to always act within the scope of their agency agreement. If a claim is made against you and you are found to be in breach of your actual or ostensible authority, you may be found liable for any damage flowing from the breach.

In today's market, many agents find themselves dealing with foreign purchasers on a daily basis and it is common for questions about the FIRB application process to arise. Be mindful that the scope of your engagement by the vendor does not extend to advising and assisting potential purchasers with FIRB applications.

The key message here is to know the limits of your authority and always advise potential foreign purchasers to seek their own independent, expert advice and make a written record when you do so. ♦

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Foreign investment laws

New foreign investment laws came into force on 1 December 2015. The reforms provide for stronger enforcement and a better resourced system with clearer rules for foreign investors. Third parties, including real estate agents, will also be subject to strong civil and criminal penalties if they knowingly assist a foreign investor to breach the rules.

For more information, go to firb.gov.au



NANCY RAINBIRD is the Claims & Compliance Manager at Realcover.

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Tennille Mugridge- REINSW Member

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Simply put, handling maintenance that can take in excess of 30 minutes using manual processes that are subject to multiple points of failure, can now be completed more professionally and accurately in Maintenance Manager in less than 3 minutes, as the platform provides more effective capturing, documenting and processing of all tasks plus completes automated reminders to all parties including Landlords, Tenants, Trade Suppliers and Strata bodies.

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The Nuts And Bolts

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Rent roll of 700 properties	\$53,130

Andrew Cox- National Marketing Manager for PropertySafe said;

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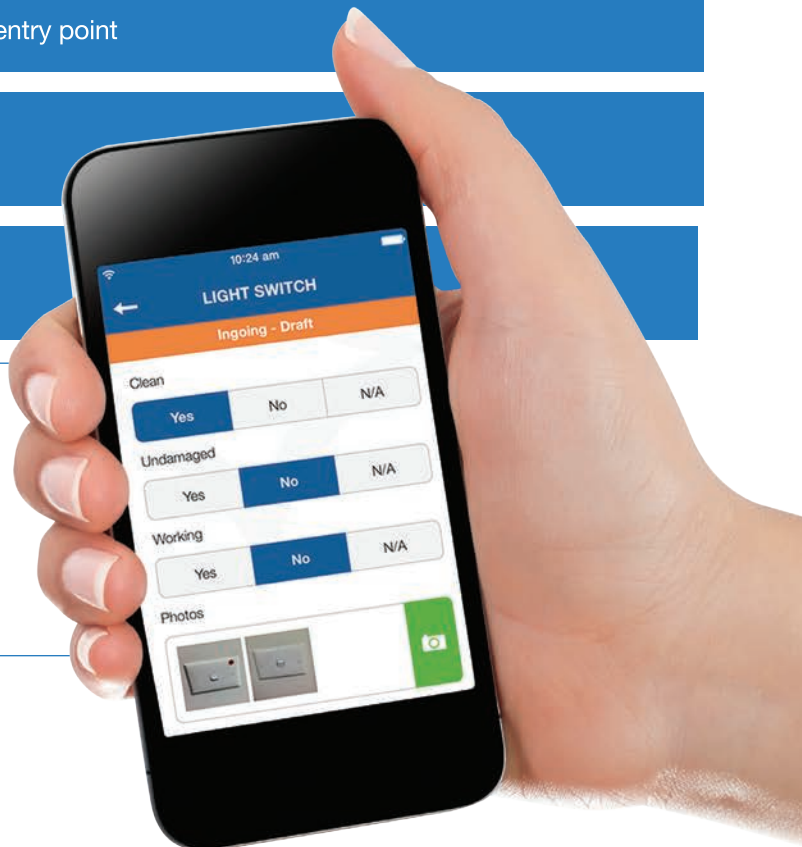
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New members

Today the real estate business is more competitive than ever before and membership of REINSW has never been more important. We're proud to welcome the following agencies to our membership ranks.

Angela Kennedy Real Estate Meadowbank	Lisa Spratt Real Estate Newcastle
Ausdev Realty Elizabeth Bay	Marcia Eilen Palazzi Ballina
Belle Property Narellan Narellan	MCC Realty Young
Boutique Property Agents Sydney	Midland Investment Group Sydney
Brian Phegan Real Estate Albury	Miki D Ryde
Cathrine Leahy Cremorne Point	The Nest Property Group Galston
Coleman and Co Real Estate Hoxton Park	Outback Real Estate Broken Hill
David Murphy Real Estate Mosman	Patrick John Wedes Hurstville
Donna Burke Real Estate Bronte	Propwise Realty Rockdale
Fine & Country Avalon Beach	Ray White Allambie Heights Allambie Heights
First National Newcastle City The Junction	Ray White Balgowlah Balgowlah
Freeman Realty St Leonards	ReValu8 Realty Sydney
Gayle Walker Real Estate Mosman	Ridge Real Estate Lightning Ridge
GBR Realty St Peters	Strategic Property Advisory Bondi Junction
Grace Partners Real Estate Teloopa	Stunning Realty Sydney
Harcourts Southern Highlands Bundanoon	Towers Francis Property Tweed Heads South
Hualei Properties Sydney	Unwind Hunter Valley Pokolbin
JB Realty Sydney	Vault Property Management Kirrawee
Keyline Property Group Stanhope Gardens	Wiseberry Five Dock Five Dock
Laing+Simmons St Marys/ Ropes Crossing St Marys	Yuan Tony Group Sydney
Lawson Estate Agents Morisset	
Lili Realty The Ponds	

The agencies listed took out membership in January and February 2016.



Call the Helpline

Did you know that as a member you can call the REINSW Helpline as often as you need to?

The Helpline team is highly-experienced and very skilled. They've been in your shoes and can offer straightforward, real world advice on tenancy issues, sales matters, agency agreements, tribunal hearings, strata questions, the impact of legislation changes and much more.

No question is too big or too small and there's no limit to the number of times you can contact the Helpline. ♦



Their knowledge of the Act and real estate legislation is supreme and knowing I can pick up the phone and get their advice at any time is priceless. They are always pleasant and patient, and they genuinely care about helping members.

MICHELLE ALCHIAN
Operations Manager
Belle Property Mosman and Belle Property Neutral Bay



CONTACT the Helpline on (02) 9264 2343
or email helpline@reinsw.com.au

The more things change, the more they stay the same

A glimpse into the *Journal* archives reveals how the challenges our profession faces today are not so far removed from those we have faced in the past.



1976

President calls for even-handed approach to new tenancy laws

Just as residential tenancies reform is on our agenda now, so too was it in 1976.

As the Labor Government of the day considered the introduction of residential tenancy reforms to give greater protection to tenants, the then REINSW President Neville Tucker called for an even-handed approach to any changes affecting tenants and property owners.

"The present Government appears to be making serious attempts to grapple with the State's housing crisis," Mr Tucker said. "But, it could have a real backlash effect if it tries to legislate its way out of trouble with more stringent controls upon the private sector.

"We are in favour of legislation that is forward-looking, not backward to the days of control."

REINSW Real Estate Journal, July 1976



1980

Defining the true professional in real estate

The quest for higher levels of professionalism has been a long one. And as far back as 1980, Arthur Wright set out his criteria for the real estate professional in the *Journal*:

"The achievement of professional stature must depend upon such clear-cut criteria as:

- (a) a commitment on the part of the industry leaders to enhance the image of the group by fostering technical competency, loyalty to the client's interest and greater spirit of service to the trade group and the general public, (b) an organisation that effectively controls admissions to the occupation, (c) educational requirements of sufficient breadth and depth to easily distinguish the professional from the merely experienced layperson, (d) the development of effective norms to assure competent performance of service beyond the layperson's grasp, and (e) membership in an occupational group of relatively few people that provides a service used by at least a large group of society."

REINSW Real Estate Journal, May 1980



1996

The big win: Proposal to deregister agents struck down

Agents have been required to obtain statutory registration in NSW since 1949 and REINSW has always been a proponent for registration. But in 1996, a bill was presented to the NSW Parliament to abolish registration. Swift action by REINSW resulted in the bill being amended and registration remaining intact. REINSW's campaign provided a detailed briefing paper on the impact of the bill as it would relate to the real estate industry. The then Deputy Leader of the Opposition, Mr Ron Phillips, presented REINSW's briefing paper in the Lower House, emphasising that REINSW was totally opposed to the changes proposed in the bill and believed it to be short-sighted, detrimental to the public interest and proposed with a complete lack of understanding of both the real estate agency profession and the ramifications that would flow from de-registration.

REINSW Real Estate Journal, December 1996/January 1997



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* Terms and conditions apply. Please contact your Account Manager for further details.



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