

Journal

DEC 2009
VOL 60/11



View from the top

**Achieving sales
excellence**

Career boost
The benefits of mentoring

**Weathering the
commercial storm**
Another market cycle
or a whole new ball game?

Moving forward
2009 REINSW State
Conference

Increase property enquiry with the NEW look eBrochure.



Your logo

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Tailor the eBrochure with your corporate colour to maximise branding

Your contact details

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eBrochure ALL pictured. Single-use eBrochure template not shown.

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To deliver greater vendor value, include eBrochure in your listing presentations and marketing schedules. For more information call 1300 134 174 or email rainfo@realstate.com.au



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The *Real Estate Journal* is a member
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from resources which are managed
to ensure their renewability for
generations to come.

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MBF – join today and save!



As a leading private health insurer, MBF's primary aim is to help you live a longer, healthier and happier life.

REINSW members can now join the MBF REIA Corporate Health Plan and access an average saving of 11.26%* on their packaged HealthLink corporate products – and will also get one month's free premium!^

Switching to the MBF REIA Corporate Health Plan is simple and you will not have to serve any relevant waiting periods you have already served with another health fund.

MBF Health has a national MemberCare Provider Network which provides REINSW members access to a network of dentists, opticians, chiropractors and physiotherapists. Members who use

MBF Corporate products under the MBF REIA Corporate Health Plan at these MemberCare providers will be able to receive 90% of the total charge on selected services.#

Join the MBF REIA Corporate Health Plan today and start saving!

To find out more about the REIA MBF Corporate Health Plan, members and their employees can call MBF's

dedicated Corporate Customer Services team on 1300 653 525.

* 11.26% saving is the national average saving on packaged HealthLink products compared to equivalent stand-alone products normally offered to retail customers.

^ New Bupa Australia customers only who join through the MBF corporate health plan and pay by the convenience of direct debit or payroll deduction. Your second month is free after your initial payment. Not available with any other offer and not redeemable for cash. Excludes overseas visitors' cover.

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REINSW member benefits



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Reception: (02) 9264 2343
Email: info@reinsw.com.au
Website: www.reinsw.com.au

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Sam Kremer

Journal

Editor:
Rebecca Ryan (02) 8267 0528
Email: rryan@reinsw.com.au
Advertising:
Call (02) 9264 2343
Email: advertising@reinsw.com.au
Rates: www.reinsw.com.au

Production

Design, art direction and production:
Spoonful (02) 9331 4468
Email: info@spoonfuldesign.com.au
www.spoonfuldesign.com.au
Printing:
Finsbury Green
(02) 9662 2600
www.finsbury.com.au
Mailing:
AP Mail (02) 9890 2888
www.apmail.com.au

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REINSW recently featured on the front page of the daily commuter newspaper mx in Sydney, which has a circulation of more than 100,000 daily and an estimated readership of 315,000.

“Sydney rents could jump 20 per cent in just one year if the State Government approves changes to the Residential Tenancy Act, the Real Estate Institute of NSW fears,” the article read.

REINSW was quoted as saying that the new conditions would cost landlords \$5,000 a property per year – and those costs would be passed directly on to tenants.

It’s just one of the many occasions that REINSW has appeared in the media recently, with REINSW Board members regularly commenting on talkback radio stations, and CEO Tim McKibbin answering inquiries from newspaper journalists daily.

For copies of recent REINSW media releases and to see where we have featured in the press, visit www.reinsw.com.au and click on ‘News & Advocacy’.

Christmas closing dates

REINSW will be closing over the Christmas period.

Our last working day will be Thursday, 24 December 2009 and we’ll be re-opening on Monday, 4 January 2010.



MEMBERS OF THE NEW REINSW BOARD (L TO R) – REINSW CEO TIM MCKIBBIN WITH SARAH LORDEN, CHRISTIAN PAYNE, LEANNE PILKINGTON, WAYNE STEWART, MALCOLM GUNNING, CHRISTINE CLARKE, BRETT HUNTER, JOHN CUNNINGHAM, STEVE MARTIN AND MILES FELSTEAD. (NOT PRESENT – GRAEME HYDE AND TONY SANTOLIN)

THE 2009-2011 REINSW BOARD KICKED OFF THEIR TERM AT THE STATE CONFERENCE ON FRIDAY, 27 NOVEMBER, WITH EIGHT ONGOING DIRECTORS AND FOUR NEWCOMERS, AND A BALANCE BETWEEN CITY AND COUNTRY REPRESENTATIVES, THE NEW BOARD IS TRULY REPRESENTATIVE OF THE PAST, PRESENT AND FUTURE OF REINSW.

The *Real Estate Journal* will profile the new Board in the February 2010 edition, but here’s a quick look at who will be representing you for the next two years.

President – Wayne Stewart (Non-metropolitan)

“It’s with great pride that I step into the role of President,” Wayne said.

“We’ve got a lot to feel optimistic about. I look forward to working with the new Board – a great group of people who each have a positive belief in the REINSW and its future.”

Deputy President – Christian Payne (Sydney Metropolitan)

Vice President - John Cunningham (Sydney Metropolitan)

Vice President - Malcolm Gunning (Business/Commercial Real Estate Practice)

Directors

- Christine Clarke (Non-metropolitan)
- Miles Felstead (Residential Real Estate Practice)
- Graeme Hyde (Non-metropolitan)
- Sarah Lorden (Sydney Metropolitan)
- Brett Hunter (Sydney Metropolitan)
- Steve Martin (Immediate Past President and REIA Delegate)
- Leanne Pilkington (City of Sydney)
- Tony Santolin (Non-metropolitan)

REINSW MAJOR PARTNERS





An explosive discovery

An older style cottage on a large rural property at Bathurst had been vacated for approximately 10 weeks, when one morning a large explosion ripped through the home.

The owners investigated the explosion and found the rear of the house totally blown apart.

The police were called and after forensic investigation it was concluded that the wreckage was caused by the electric hot water system in the bathroom of the cottage exploding.

Why? More than likely because the pressure relief valve on the old heater had corroded and did not work. Because the electric hot water system had been left on, it was heating each night, until it blew up.

This was a fibro and concrete block bathroom, consisting of toilet, shower, cast iron bath and the hot water tank.

The blast was so severe that shower rods were catapulted into the ceiling like spears and concrete blocks were blown into the bedrooms. Had the house been occupied the consequences could have been much worse.

Moral of the story: ensure the pressure relief valves are working on electric hot water systems!

Grass is greener

Homebuyers in NSW are spending exhaustive amounts of time researching properties, according to realestate.com.au. The research attributes fear of missing out (FOMO) as the reason. According to the data research company, FOMO is a consumer behaviour, which causes paralysis in homebuyers who are overcome by anxiety believing there is a better property out there.

New scheme: improving the energy efficiency of office buildings

Minister for the Environment, Heritage and the Arts, Peter Garrett, has announced a new national scheme to improve the energy efficiency of office buildings.

Starting in the second half of 2010, building owners will need to provide up-to-date energy efficiency information when they sell or lease office space covering more than 2,000 square metres.

"We're encouraging building owners who may be affected to get started now and familiarise themselves with the National Australian Built Environment Rating System as a building's first rating can take time," he said.

Owners who don't comply once legislation comes in will risk a fine or prosecution.

Australian, state and territory government energy ministers recently approved the parameters of the new disclosure scheme for office building energy efficiency, with Commonwealth legislation now being developed to give effect to the scheme in the second half of 2010.

The Department of Environment, Water, Heritage and the Arts will be co-hosting seminars around Australia with the Property Council of Australia in the coming months.

More information about the Australian Government's initiatives to improve the efficiency of buildings is available at www.environment.gov.au/buildings

Do good business

The Good Business Register is an online platform (developed by St James Ethics Centre and funded by the Federal Government through Treasury), which will enable small to medium enterprise (SMEs) to engage with the responsible and sustainable business practice agenda. Until now the focus of responsible business practice across environmental, social and economic factors has largely been on big business. However aspects of the agenda such as climate change impacts, increasing consumer awareness, supply chain pressures, greater need to compete in international markets and increasing regulatory frameworks are shaping the market in ways that are highly relevant to SMEs.

The Good Business Register provides SMEs the opportunity to take on a leadership role and become strategic with their responsible business practices, resulting in readiness and market differentiation in a transitioning business environment. By logging onto the Register, businesses will be able to build a Responsible Business Practice Profile which they can use to demonstrate both their social and environmental business credentials to procurers, customers, staff and other stakeholders.

"The Good Business Register aims to give SMEs the opportunity to drive the transition towards sustainable business practices," said Rosemary Sainty, Head of the Responsible Business Practice Project at St James Ethics Centre.

Contact Amanda Armstrong for more information or visit www.goodbusinessregister.com.au

Australia still over 50,000 homes short

The recovery in new home building will fall short of what is required to meet increases in Australia's population, according to the Housing Industry Association's latest *National Outlook*.

The HIA's Chief Economist, Dr Harley Dale, said that speed limits on the supply of new housing would mute the home building recovery over the next three years.

"The issue confronting the housing industry is not a shortage of demand but rather supply side constraints caused by bottlenecks in the availability of serviced urban land and a shortage of suitably skilled tradespeople.

"Failure to address the obstacles to boosting Australia's housing supply will lead to damaging bouts of house price inflation and the imposition of a higher interest rate structure than we would otherwise experience," Mr Dale said.



Get ready for the 2010 REINSW Awards for Excellence!

As the year draws to a close, it's time to start setting your goals for 2010.

Make it one of your goals to enter the 2010 REINSW Awards for Excellence. Entries open on 1 March 2010 – and it's never too soon to start thinking about preparing your awards submission.

Unlike many franchise awards, the REINSW Awards for Excellence are not based on the number of sales or listings. Judges are looking for demonstrations of innovation, excellence and professionalism. So whether you're part of a large franchise or work in a small independent agency, you're in with a chance.

And winning an REINSW Award for Excellence is more than just a recognition of your achievements – it's also a fantastic promotional tool.

Remember, entries open on 1 March 2010 – you have to be in it to win it!

To find out more, call REINSW on (02) 9264 2343.



Water: a precious commodity

The State Government must consider curbing population growth in Western Sydney because there will not be enough water to sustain agriculture, recreation and environmental flows in the region, scientists say.

More than 600,000 extra residents will live in Western Sydney by 2031, according to the State Government's Metropolitan Strategy.

But scientists working for the water strategy group WISER say there will be only just enough water for drinking and bathing, leaving little for the region's market gardens, playing fields, and the Hawkesbury-Nepean River system.

This would have serious consequences for health and quality of life in the region, the scientists say, and the Government needs to reconsider the release of land for housing, or dramatically increase water harvesting and recycling.

The scientists based their claims on a study of water use in the South Creek catchment area - a swathe of suburbia stretching across the Blacktown, Camden, Hawkesbury, Liverpool and Penrith council areas.

"The Hawkesbury-Nepean is already suffering from serious degradation. The impact of 600,000 more people could create permanent damage to the ecosystem and limit any future use of the system."

But a spokeswoman for the NSW Water Minister, Phil Costa, disputed the scientists' figures, saying that the Government's Metropolitan Water Plan had taken population growth projections fully into account as well as potential impacts from climate change.

"The Government will provide recycled water to 160,000 homes yet to be built in new suburbs in Sydney's north-west and south-west," the spokeswoman said.

"Greater Sydney is also home to about 20 recycled water schemes including some of the largest residential, industrial and environmental schemes in Australia, and by 2015 recycling will provide around 12 per cent of Sydney's water needs.

"On top of this water-efficient devices such as taps, showerheads and washing machines will save up to 24 per cent of Sydney's water needs."

The Planning Minister, Kristina Keneally, said if the Government reduced the amount of new homes in Western Sydney's growth centres, it would mean significant urban development above what is already planned for suburbs such as Ku-ring-gai and Hornsby.

Bottom line you need Real Business First

Improve your agency's profits with the right tools and know-how - it's easy!

Deloitte and REINSW have launched an essential benchmarking tool for your agency.

Real Business First links in with your business accounting software so you can compare your accounts to other agencies of similar size across NSW.

You can instantly see how your office stacks up to other agencies and learn how to adjust your business to increase your bottom line. The data is updated every month, so you can stay at the cutting edge of industry trends.

Just \$49.50 per month for REINSW members

(\$69.50 per month for non-members. Prices include GST.)

To find out more, visit www.realbusinessfirst.com



Great phone deal for members



BY PETER GRIFFIN

REINSW IS PLEASED TO ANNOUNCE THAT IT HAS JUST FINALISED AN AGREEMENT WHEREBY MEMBERS CAN RECEIVE A COMPETITIVELY-PRICED TELCO SERVICE WITH AN ADDITIONAL REINSW MEMBER REBATE.

In the 2009 member survey, you told us quite clearly that you wanted REINSW to offer more commercial benefits as part of your membership.

While not the core reason for joining or remaining a member, your feedback told us that you appreciate the added benefit of being able to access services with better pricing and features than you can 'on the High Street'.

As a result, we've been working hard to bring some extra benefits to you. Last month we announced the partnership with MBF Health where members can gain health cover at up to 11% off MBF's retail rates (to find out more see page 2).

This month I'm proud to announce a fantastic deal we've just finalised with M2 Telecommunications. With M2, members can access great phone and data products at competitive rates, with the added benefit of receiving

up to \$98 per month off your telecommunications bills.

Here's how it works

M2 has allocated one of their best Account Managers to personally look after REINSW members, and that person is Aaron Dodds.

You simply contact Aaron from M2 and ask him to quote you on your fixed line, mobile and/or data services. Aaron will organise to review your existing services and then submit a proposal to you. If you choose to accept the proposal, it will be processed promptly and M2 will arrange everything. M2 is a Tier 2 Telco and offers a broad range of telecommunication products to suit your business' needs.

M2 will invoice you monthly. If your total bill is over \$700 in the month, then they will give you a \$98 (ex GST) REINSW Member Rebate. If your total bill is under \$700, then you will receive a \$50 (ex GST) rebate. This will happen each and every month for as long as you're an REINSW member.

This means that in a 12 month period you may receive a rebate of as much as \$1,176. This is



REINSW CEO TIM MCKIBBIN WITH AARON DODDS FROM M2

approximately the same as a full year's Firm Membership with REINSW.

Who are M2?

Established in 1999, M2 Telecommunications is one of Australia's largest and most successful Telcos and is the provider of retail fixed-line, mobile and data telecommunications services, specifically tailored towards small to medium businesses in Australia and New Zealand.

M2 are the owners of well-known organisations and brands such as People Telecom, Commander, Southern Cross Telco, Simply Mobiles and Green Mobiles.

M2 was named by *Business Review Weekly* as one of Australia's fastest growing companies in 2003, 2004, 2005, 2006, and 2008. It is one of the few companies to have been honoured with the award five times, and one of only 10 companies in the history of the list to be named in four consecutive BRW listings.

For more information on M2 go to www.m2.com.au

Testimonials

M2 already supplies services to some agents in NSW. Here are a couple of testimonials:

"The simplicity and savings of the plans caught my eye," said Wayne Stewart, Licensee-in-charge of Century 21 Newcastle. "The savings to both my landlines and mobile lines have been extensive. I certainly have no hesitation in recommending M2 to anyone seeking genuine savings."

Allan Cruickshanks, Principal of LJ Hooker Singleton, adds: "I have found this service to be excellent, friendly and professional. M2 deliver on the promises they make. The important part is they have saved my company money on my [telecommunications] accounts."

What to do next

To receive a no-obligation proposal demonstrating the savings you can make on your existing telecommunications services, contact Aaron Dodds from M2 by calling 0408 481 048 or emailing aarond@phoneandfly.com.au

Peter Griffin is REINSW General Manager. ♦



2010 REINSW DIARY

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Non-members \$81.50

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Celebrating 25 years of the Orana Division

FROM DUBBO TO MUDGE, LIGHTNING RIDGE TO CONDOBOLIN, REINSW MEMBERS ARE CELEBRATING THE 25TH ANNIVERSARY OF THE ORANA DIVISION. GEOGRAPHICALLY IT'S ONE OF OUR LARGEST DIVISIONS, BUT THE VAST DISTANCES DON'T DETER MEMBERS FROM NURTURING A COMMUNITY SPIRIT AND BANDING TOGETHER TO PROVIDE A VOICE FOR REGIONAL ISSUES.

Established in 1983 the Division has always had, and still continues to have, an outstanding community focus and a commitment to ensuring the longevity and success of all agents working in the areas the Division covers.

"I have been proud to lead this Division, which has an unwavering focus on action that leads to bettering our industry and taking care of our community," said Orana Divisional Chair Rod Crowfoot.

"A 25-year history steeped in unity and action, which still continues today, is something very special and a great achievement for any Division."

A charitable nature

Members of the Orana Division are known for their community spirit and generosity.

Each year the Division holds its Novice Auctioneers Competition and Golf Day to raise funds for local charities. To date, they have raised more than \$35,000!

"A 25-YEAR HISTORY STEEPED IN UNITY AND ACTION, WHICH STILL CONTINUES TODAY, IS SOMETHING VERY SPECIAL AND A GREAT ACHIEVEMENT FOR ANY DIVISION."

This year, in addition to raising in excess of \$11,000 at this annual event, as a celebration of its 25th anniversary Divisional members contributed their own funds to purchase an LCD flat screen television for Northcott Disability Services.

"We received such an emotional response to what we saw as such a simple gesture. Northcott was delighted to be able to place this fantastic television in its recreation room," said Rod Crowfoot. "It was so inspiring to see such appreciation from the wonderful staff, who dedicate their lives to helping others."

A voice for regional issues

Members of the Orana Division are regularly called upon to provide a regional voice in relation to a range of issues and hot topics, including housing affordability, the ongoing rental crisis, industry standards and proposed legislative reform.

Whether it's a local council issue or a question from the Office of



ROD CROWFOOT PRESENTING NORTHCOTT WITH THEIR NEW LCD TV.



THE CROWD GATHERS FOR THE NOVICE AUCTIONEERS COMPETITION

Fair Trading, the Division plays an essential and ongoing role in maintaining a regional perspective, making sure rural NSW isn't forgotten and local issues are heard and remain on the agenda.

Congratulations!

"On behalf of REINSW, I'd like to congratulate the Orana Division on reaching this milestone," said REINSW CEO Tim McKibbin. "Through the hard work and contribution of the members of the Division, Orana has gone from strength to strength over the years, achieving many exceptional milestones in its 25-year journey."

"Congratulations Orana Division – here's to the next 25 years!" ♦

Active from the start

Of the original 19 foundation member agencies of the Orana Division, five agencies still play an active role in the Division:

- Bob Berry Real Estate
- C Olsen Agencies
- Elders McKeowen Real Estate
- Raine & Horne Dubbo
- The Property Shop

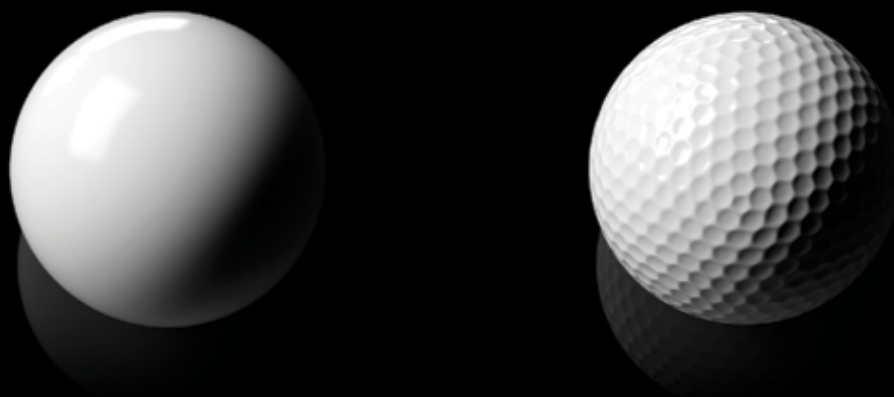
That these five foundation member agencies are still active in Divisional activities is a testament to the strength of the Orana Division, and the support and camaraderie shared by members.

How far will your business bank take you?

Evolution is incremental, but innovation can transform. Dimples added twenty metres to every drive – how much further could your business go?

Choose Macquarie Relationship Banking and get direct and personal contact with your Relationship Manager – someone who shares your goals and has the specialised real estate industry knowledge, creativity and drive to help you achieve them. As a client, you will have access to integrated business banking solutions to help you manage all your transactions with an automated payment, collection and reconciliation service. Freeing you up for greater things.

Speak to the bank that gives you a competitive edge.



Contact Matt Ciallella at Macquarie Relationship Banking on 02 8232 4217.
Or call 1800 441 736 to speak with one of our Relationship Managers in your region.

macquarie.com.au/realestate

FORWARD thinking



SHINING THE LIGHT

on sales
performance

A TOP PERFORMER IS SOMEONE WHO RELISHES EVERY OPPORTUNITY TO IMPROVE THEIR PERFORMANCE AND WHO UNDERSTANDS THE QUALITIES THAT DIRECTLY IMPACT ON THEIR SUCCESS.

THIS MONTH, THE JOURNAL GOES INSIDE THE MIND OF TOP RESIDENTIAL SALES PERFORMER CHRIS VOLPATTI AND ALSO UNCOVERS SOME KEY TRAITS THAT SEPARATE SALES LEADERS FROM THE PACK.



View from the top



BY REBECCA RYAN

CHRIS VOLPATTI HAS JUST BROKEN THE MCGRATH RESIDENTIAL RECORD FOR THE MOST SALES IN A MONTH. A NOTEWORTHY MILESTONE IN ANY REAL ESTATE SALES AGENT'S CAREER, HE TALKS TO THE JOURNAL ABOUT SALES SUCCESS AND WHAT DROVE HIM TO ACHIEVE 19 SALES IN ONE MONTH.

Chris Volpatti hasn't followed the path of your typical real estate agent. While working at IBM as a project manager, Chris was in the process of purchasing a property through an agent. Just about to finish his contract at IBM, and not sure what he really wanted to do with his career next, Chris and the agent got chatting and before he knew it he was being asked to work for the agent in his project marketing team.

"I was of course interested in real estate, but it was rather unexpected to come out of this relationship with the agent with a new job and career," Chris said. "Nonetheless, I was ready for the challenge and knew real estate would be something I would enjoy."

It was at 30 that Chris began his quest to carve out a career in real estate and a few years later, in 2004, he landed a role at McGrath.

"I knew I had limited experience, and certainly none in the residential sales specialisation, so I was extremely pleased to start at McGrath working with an established sales agent. About 12 months later, I was out working on my own," he said.

Being a late starter in the industry, and feeling at times like this meant

"I KNEW I HAD LIMITED EXPERIENCE, AND CERTAINLY NONE IN THE RESIDENTIAL SALES SPECIALISATION, SO I WAS EXTREMELY PLEASED TO START AT MCGRATH WORKING WITH AN ESTABLISHED SALES AGENT. ABOUT 12 MONTHS LATER, I WAS OUT WORKING ON MY OWN,"

he was in some ways lagging behind other agents, Chris had an ambition and desire to prove himself – to make it known that he belonged in the industry, and that he had what it takes regardless of the years of experience other agents of the same age had on him.

And so, when McGrath announced they were holding an internal sales competition, Chris was raring to go.

"I do have a competitive streak in me and I wanted to prove to myself that I could win. I really wanted to win that sales competition," Chris explained.

While the competition may have been the catalyst for his achievement of 19 sales in one month, it is certainly Chris' talent and focus that ultimately rates him as one of the best – and enabled him to not only win the competition, but

set a new record in residential sales for the entire McGrath business.

How did Chris do it?

"Apart from the usual strong ethics and morals, positive mind-set and desire to succeed, I was also very active in pursuing all the different sources that generate income. This includes nurturing my sphere of influence – my networks, the people I am in contact with each day, at open inspections and my internal colleagues," Chris said.

Chris understands that lead generation is a way of life – it's everything you do, it's who you are, how you walk, talk and act, and how you portray your success.

A good foundation

Chris believes that having a good foundation to work upon is important.

"I have undertaken training in numerous aspects of sales in order to hone my craft. I want to be prepared in all situations and I believe training as well as experience will enable me to do this. It is so important to use theory and practice in combination. Experience and formal training make for a powerful combination," Chris said.

Work smart

Chris also believes in working smart.

"Simply doing the basics better, and more often, than anyone else is a great way to get ahead," Chris said.

It is also important to understand where your time is best spent.

Chris adheres to the Pareto Principle, also known as the '80-20 rule'. The 80-20 rule means that in anything, a few things (20 per cent) are vital and many (80 per cent) are trivial. The value of the Pareto Principle is that it reminds you to focus on the 20 per cent that matters.

"Of the things you do during your day, only 20 per cent really matter. Those 20 per cent produce 80 per cent of your results. Identify and focus on those things," Chris explains.

"When the fire drills of the day begin to sap your time, remind yourself of the 20 per cent you need to focus on. If something in the schedule has to slip, if something isn't going to get done,

Key steps to improving your conversion ratio

- Monitor sales goals – have a sales process and follow it consistently
- Be an active listener with your customers
- Have a detailed knowledge of your product and market to be able to match buyers with just the right house
- Follow up regularly with your prospects and buyers

Remember: build rapport with buyers – a huge number of sales come from referrals!

make sure it's not part of that 20 per cent.

"Keeping in mind that 20 per cent of your activities give 80 per cent of results, if you've been selling for more than a year and analyse your business, you can see which activities give you the best result."

His advice: focus on the activities you're most successful at.

Know your market

Chris is well-versed in the current market conditions.

"When buyers describe their dream home, you have to know where to find it," Chris said.

"Set aside time every week to view new listings. Attend open houses. These showings give you the opportunity to get to know your fellow agents.

"Your peers are one of the best sources of information available to you, and working with them always brings rewards."

Where to from here

"I will continue to build upon my foundation. I will keep my mind open to learning and remain committed 100 per cent to what I do, and focus particularly on what I do best," Chris said.

"I'll keep asking the hard questions. Don't ever be afraid to ask the hard questions when it comes to closing a sale with your prospect," he adds.

"And don't forget the basic qualities you should embrace for sales success:

"I HAVE UNDERTAKEN TRAINING IN NUMEROUS ASPECTS OF SALES IN ORDER TO HONE MY CRAFT. I WANT TO BE PREPARED IN ALL SITUATIONS AND I BELIEVE TRAINING AS WELL AS EXPERIENCE WILL ENABLE ME TO DO THIS. IT IS SO IMPORTANT TO USE THEORY AND PRACTICE IN COMBINATION. EXPERIENCE AND FORMAL TRAINING MAKE FOR A POWERFUL COMBINATION,"

- listen
- ask questions
- offer five-star service
- be persistent
- know your stuff
- be organised.

But most of all, something Chris truly believes is the catalyst for success and reaching your goals in anything you undertake is to "believe in yourself!" ♦

Traits of top performers

TOP PERFORMERS LIKE CHRIS VOLPATTI ARE INSATIABLE STUDENTS OF THEIR CRAFT, RELISHING EVERY OPPORTUNITY TO IMPROVE THEIR PERFORMANCE.

THEY KNOW THEIR OBJECTIVES, HOW THEY ARE GOING TO MEET THOSE OBJECTIVES, AND WHERE THEY STAND IN RELATION TO THE COMPETITION AT ALL TIMES. THEY PERFORM THEIR JOBS AT A CONSISTENTLY HIGH LEVEL, AND THEY'RE COMMITTED ENOUGH TO PROFESSIONALISM IN THEIR FIELDS TO SHARE WHAT THEY'VE LEARNED.

Sound like you?

Some agents may be happy to close one in 10 deals, but top performers always strive for more.

Being a master at closing a sale and executing his system on a consistent basis was a major determinant in Chris' sales success, particularly in a highly competitive environment in the form of an internal sales competition.

So what qualities will impact on your performance?

Passion

If you do something, give 100 per cent. Don't lose momentum. Don't give up. Make your commitment and hold yourself accountable. Read, attend training and seminars. Become a 'raving' fan of your community or the farm area in which you work.

Process – finding your way in any market

There's nothing you can do about the market, so get over it if it's not so good. The market is what it is. You can't be dependent on it, and you can't use it as an excuse to not better yourself.

The best way to better yourself as a salesperson, is to have a process and follow it every day with every customer.

Building rapport

Research has found that peak performers first establish a very balanced dialogue with their prospects and interact like friends.

They seem to have an uncanny ability to get their prospects involved as well as help them discover why they are the best agent for the job.

Perfect probing

Top performers also have the ability to probe skilfully. They are so good at asking questions that they almost always uncover their prospect's needs first, before mentioning anything else.

Asking open-ended questions and using 'counselling techniques' to discover a prospect's true needs is extremely effective. Aim to be so good at probing that you make your customer aware of their wants and needs inside and out before recommending a solution.

Matching needs

Be skilful at matching features and benefits to what your prospect needs. Top performers have learned to uncover real needs and show how their product can satisfy them.

Many salespeople have a tendency to present benefits that may not relate to the prospect's needs. If you talk about benefits and features that don't match up to the prospect's needs, you are inviting objections.

Turning around negative clients

Top performers have the ability to counter objections and a prospect's rejection properly and directly.

It's been proven that successful sales interactions contain 50 per cent more objections than those appointments that resulted in no sale. This indicates that people who buy will produce more objections than those who don't buy.

Agents who are more skilled at generating objections will make more sales than those who merely overcome objections given to them by the prospect.

Knowing how and when to close

Summarise benefits and value, and propose a concise and clear plan of action. Prospects should be aware of what will happen during and after the sale is made.

Bolstering your career through mentoring



BY REBECCA RYAN

THE SECRET FOR CAREER SUCCESS MAY BE IMPOSSIBLE TO PIN DOWN, BUT TO TWEAK AN OLD ADAGE, IT'S NOT WHAT YOU KNOW — IT'S WHO ELSE KNOWS IT! MENTORING USED TO BE A FAIRLY INFORMAL PROCESS, OFTEN INVOLVING AN OLDER EXECUTIVE TAKING A YOUNG AND PROMISING PROTÉGÉ UNDER THEIR WING. BUT TODAY MANY MENTORING RELATIONSHIPS BEGIN WITH UP-AND-COMERS ASKING SUCCESSFUL PROFESSIONALS FOR DIRECTION ABOUT HOW BEST TO NAVIGATE THEIR CAREERS. AND IT'S A TWO-WAY STREET — THERE ARE ALSO BENEFITS TO TAKING ON THE ROLE OF MENTOR.

The role of mentee

Choosing a mentor should really be a long-term process of identifying the best person or persons to help you get where you want, and then cultivating a strong enough relationship with them so that asking them to become your mentor becomes an easy and natural request with clear mutual benefits.

First you'll need to identify someone that you think will be best positioned to help you, based on their function and influence. Then, start establishing a relationship with them — perhaps by volunteering to work on an initiative they're pushing, or offering some thoughts on something they're doing. It's also worth developing relationships with people around this person — people whose opinion they respect so that you become even more of a known quantity.

Your goal is to present yourself in the most substantive way

possible, rather than just having a social, “how are you doing?” kind of relationship with them. Bear in mind that mentors don't take on mentees out of altruism — they're looking to take on valued contributors who can grow with their help and reflect well on them, as well as help them down the line.

It's really important to have, and be able to express to your potential mentor, a clear idea of what it is you want them to help you with, whether it's advancing in your organisation or acquiring specific skills or experience. This gives your potential mentor a way to assess whether they can truly help you and to decide whether the mentorship is worth pursuing.

In short, the best mentor is someone who is very good at what you do — they've already tried and failed at all the things you're about to try. You don't have to go through all of that again if your mentor has been through it first.

Remember: mentors can offer good advice, but it is important to use them the right way. They're not there to produce work products. They won't make that sale for you or come up with the creative copy for your next marketing project. They are there as coaches and guides, to provide support along the way.

Another good tip is not to just use your mentor for problem solving. Resist the urge to only turn to them in times of crisis. Mentors are there to help you look forward in your career, to give you some insight

into things you might not have thought of. If they're only there to help you through the next crisis, that's not going to help you with those long-term goals.

Making the moment count

Unless we reflect upon our experiences, we can often miss out on the gems in moments we spend with others, including our mentor. Keeping a mentoring journal is one suggestion for capturing and remembering the lessons you learn through this important relationship. After each meeting, ask yourself what you learned from the meeting and how you can apply the learning.

Ending the relationship

There will come a time that you feel that your career needs are no longer able to be met by your mentor, and therefore it's time to end the relationship. Ending the mentoring relationship well is important to your continuing success — last impressions count just as much as first impressions do. Make your last impression a positive one.

Be clear about why you want to end the relationship. If you've achieved your goals — celebrate! Let your mentor know how they have helped you, and show your appreciation.

Remember: a mentoring relationship is there to help you move forward in your career and life goals. If this is not occurring and you do not see adjustments that can be made in the relationship to meet your goals, end it, respectfully and honestly.

MENTORING GIVES YOU THE EXTRAORDINARY OPPORTUNITY TO FACILITATE A MENTEE'S PERSONAL AND PROFESSIONAL GROWTH BY SHARING THE KNOWLEDGE YOU HAVE LEARNED THROUGH YEARS OF EXPERIENCE.

The role of mentor

Mentoring enhances your professional life, as well as that of your mentee.

To be successful in any field, aspiring leaders require role models and guidance. Being a mentor is more important than ever — and you may get more out of the relationship than you think.

What is a mentor?

A mentor affects the professional life of a mentee by fostering insight, identifying needed knowledge, and expanding growth opportunities.

Why become a mentor?

Mentoring gives you the extraordinary opportunity to facilitate a mentee's personal and professional growth by sharing the knowledge you have learned through years of experience. While the primary intent of your mentoring role is to challenge the mentee to think in new and different ways, the mentee is not the only one who gains from the arrangement.

As a mentor, there are various ways you can benefit as well.

- Enhance your skills. The experience you gain by mentoring someone can facilitate your own professional growth. Mentoring allows you to strengthen your coaching and leadership skills by working with individuals from different backgrounds and with different personality types. Furthermore, mentoring can give you a fresh perspective on your performance. For example, questions from your mentee can

A mentee's perspective



BY AMANDA BROWELL-HOOK

help you to take a critical look at how you are leading and what areas you may need to adjust for improvement.

- Develop and retain talent in your business. Your role as a mentor can contribute to the success of your entire organisation. By priming promising employees to become top-performing executives and by providing them with the challenges, support, and commitment needed to keep them in your organisation, your mentoring efforts may effectively address issues of succession planning and retention.

Focus on objectives

It's important that you structure your mentoring sessions around your mentee's objectives

You should be helping your mentee formulate a plan of activities – as well as essential deadlines – that will focus on areas identified for development. These will include both strengths and weaknesses.

Of course, that doesn't mean putting the plan together for them. Instead, encourage them to ask themselves some key questions. For example: "How do I want to capitalise on my strengths?", "How can I create the opportunities I want for myself?", "Who do I need to speak to and how should I approach them?"

Lead the way

If the mentee has promotion in their sights, you as their mentor can help ensure that training and work exposure line up with those ambitions.

People regularly raise issues about attaining the right skills for an increase in responsibility and status, however not everyone is as ready as they might think. There may be some competency areas that need attention – for instance, managing a team. As a mentor, you can discuss with them how they might go about getting the experience and skills that they need.

It is important to coach the employee. This means helping them to figure out a plan and set some dates, so that there's some structure to work within.

Keep learning

Being appointed as a mentor isn't a sign that you know it all. Many mentors say they've learned valuable lessons from the work they've carried out with their younger or more junior charges. You don't stop learning just because you're mentoring – in fact, you can still carry on being a mentee yourself!

And by working with your mentee, you're learning all the time by adapting. Different attitudes that relate to age, culture and beliefs all help to broaden your own perspective and you become more open-minded to a range of solutions. You may even find yourself occasionally saying something to your mentee and you think to yourself: "I could be doing such-and-such too!"

Mentoring can resonate positively in your own life and that for many is a really worthwhile added bonus. ♦

When it comes to having a mentor there are no hard and fast rules. Every mentoring relationship can be very different. You might catch up weekly, monthly or quarterly. You might only manage to see each other face to face occasionally, but talk on the phone more often. What is important is that you find a mentor who offers you guidance and support, but also pushes you to reach those tough personal and career goals. A good mentor will successfully balance supporting you while challenging you out of your comfort zone.

I have found mentors an invaluable resource in my own personal development and career. I also have always sought mentors out of my immediate work environment. However, it is important to consider that your immediate managers, who you generally work with on a daily basis, are often already giving you the practical advice needed to succeed in your role.

A mentor outside your agency however offers a fresh, external perspective and can act as a neutral sounding board that can really help clarify your current issues and give you that needed momentum when the going gets tough.

I have also used several mentors depending on the current challenges I face. You may have a mentor for just a short period only; for example, to help you through a particularly difficult sale or period of study. At such times, I tend to meet my mentor more

A MENTOR OUTSIDE YOUR AGENCY OFFERS A FRESH, EXTERNAL PERSPECTIVE AND CAN ACT AS A NEUTRAL SOUNDING BOARD WHEN THE GOING GETS TOUGH.

intensively and regularly, and I have chosen someone who has experience dealing with a high level of pressure.

I also have a long-life mentor who offers a steady influence and who helps with my long-term personal and career goals. I meet with this person on a less intensive basis, and use each meeting to map out new goals and to reflect on past achievement and struggles.

Finding a mentor is not as difficult as it may first appear. Think about your colleagues, clients and family – who do you admire for their own successes? Approach that person and ask if they will mentor you. Most people will be flattered and eager to pass on the knowledge that they have gained through their own endeavours. Mentoring is a shared opportunity for growth and development, and many people will be keen to take you up on that prospect.

Amanda Browell-Hook is the General Manager for real estate agency Morton & Morton. Go to www.mortonandmorton.com.au

STATE CONFERENCE

Moving forward

REINSW HAS BEEN ON A REMARKABLE JOURNEY OVER THE PAST FEW YEARS – AND AT THE 2009 STATE CONFERENCE WE REFLECTED ON THAT JOURNEY AND GAZED TOWARDS THE FUTURE WITH ANTICIPATION. THE MESSAGE FROM THE DAY WAS CLEAR – REINSW IS MOVING FORWARD!

“Over the last two years, the REINSW Board has been focused on getting the foundations right,” said outgoing President Steve Martin. “While it has been turbulent, it has also been satisfying and we are now in a position to embark upon a course where we can look at additional revenue streams.

“REINSW will increasingly become the solution for all your requirements to deliver a quality real estate service to your clients and to operate a profitable business,” he told the conference.

“WE HAVE A LOT TO DO, BUT THERE’S A LOT OF PASSION AND WE BELIEVE IN REINSW AND WHERE WE WANT IT TO GO.”

“Our commitment to succeed is unwavering,” added incoming President Wayne Stewart.

“And to continue to succeed we need our members to be positive and to embrace change.

“We have a lot to do,” Wayne said about the new Board. “But there’s a lot of passion and we believe in REINSW and where we want it to go.”



The financial journey

REINSW has been on a financial journey in the last few years.

“It’s a journey that has taken courage,” said incoming President Wayne Stewart.

In 2006/07, REINSW reported a loss of \$780,000. A new Board was elected in November 2007 and immediately set some clear and challenging financial goals: to reduce the loss to less than \$350,000 in 2007/08 and to achieve profitability in 2008/09.

In the following seven months the recovery was substantial, improving to a loss of \$209,000 – a huge \$570,000 turnaround and beating the Board’s target.

With the onset of the global financial crisis and its effect on the property market, the 2008/09 financial year was a tough one for REINSW. Like most businesses,

REINSW had to make some hard decisions in order to survive.

And survive we did.

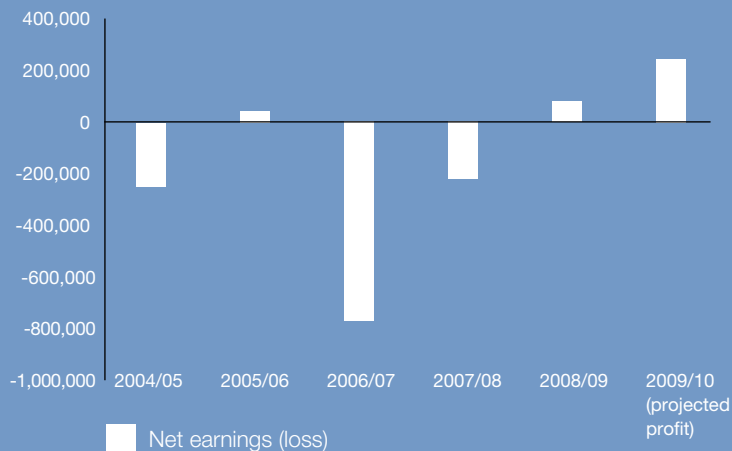
“I am proud to report that REINSW achieved a profit of \$54,000 in 2008/09 – the first since 2005/06,” reported Wayne.

“This is a huge turnaround from previous financial years and certainly moving against the trend of the current economic position for most other businesses.

“It’s a remarkable achievement.”

He went on to explain that in order to achieve this turnaround in the face of these testing economic times, the focus has had to be on continuing to reduce costs through restructuring of the business.

“At the same time, we have been preparing REINSW for the next



stage of its evolution – to increase the provision of core services and commercial benefits to our members,” Wayne said.

“The early signs for the 2009/10 financial year are that our new direction is working for you, our members. REINSW is now

financially sound and is improving month by month.

“REINSW is now well and truly on course for an exciting future.”

Full details can be found in the REINSW Annual Report, which is available at www.reinsw.com.au



INCOMING REINSW PRESIDENT WAYNE STEWART, SHADOW MINISTER FOR FAIR TRADING GREG ALPIN, REINSW CEO TIM MCKIBBIN, OUTGOING REINSW PRESIDENT STEVE MARTIN AND LEADER OF THE OPPOSITION BARRY O'FARRELL.



STEVE MARTIN OFFICIALLY PRESENTS THE REAL ACCREDITATION PROGRAM TO LEADER OF THE OPPOSITION BARRY O'FARRELL.

Real Accreditation

"We live in an age of choice," said John Cunningham, Chair of the Board's Marketing Committee. "Buyers and sellers face a multitude of choices, including the choice of who they should engage as their agent."

From a consumer's point of view, he continued, agents may all seem to offer more or less the same service. How are they to choose?

Officially presenting *Real Accreditation – the REINSW Specialist Accreditation Program* to Leader of the Opposition Barry O'Farrell and Shadow Minister for Fair Trading Greg Alpin, John announced:

"Commencing in mid-2010, REINSW Specialist Accreditation will provide a point of difference – one that clearly demonstrates a verified level of expertise over and above that of other agents in the cluttered marketplace."

The REINSW Specialist Accreditation Program will

specifically address the woefully inadequate entry-level education requirements currently sanctioned by the Government.

"For years, REINSW has called upon the Government to address this issue and raise entry-level education requirements, but unfortunately our requests have fallen upon deaf ears," John said.

"So now we are acting on our own.

"Consumers entrust agents with an enormous responsibility. That trust must be rewarded with the highest possible standards of professionalism, experience and education."

Individual members will be able to apply to become an Accredited Specialist in one or more of 10 highly-specialised areas:

- Business Broking
- Buyers' Agency
- Commercial Property
- Property Auctioneering

- Property Management
- Property Valuation
- Residential Sales
- Rural Property
- Short-Stay Management
- Strata Management

To become an Accredited Specialist, members will be required to build on statutory minimum education requirements by undertaking additional learning and satisfying further minimum levels of experience.

Agency Accreditation is the equivalent qualification for real estate offices. Accredited agencies will be required to:

- carry a minimum of \$1 million in PI insurance (which is a requirement the government has refused to mandate across the industry);
- employ at least 50% Accredited Specialists;
- submit to a triennial systems review; and

- make a public commitment to ethical dealings.

"REINSW is to be congratulated on taking this step," said Shadow Minister for Fair Trading Greg Alpin.

"Accreditation is a serious business and it must mean something to consumers if it is to succeed. It must deliver real benefits to them.

"Today's consumers expect focused expertise and REINSW has identified, amongst other things, the clear necessity for ongoing education."

Leader of the Opposition Barry O'Farrell added his endorsement: "Today's consumers expect their real estate agent to be much more than just a generalist. They expect specialisation – and that's what accreditation will deliver."

To find out more about Real Accreditation, go to www.reinsw.com.au/accreditation

Realcover extends its reach

Realcover
Your industry. Your insurer.

"It's been a big year for Realcover," reported Realcover Chairman John Hill.

The company was originally domiciled in New Zealand, but due to regulatory changes it was required by the Australian Prudential Regulatory Authority (APRA) to domicile in Australia. This required significant work plus a sizeable increase in capital. In order to achieve the capital increase, a minority (40%) shareholding in Realcover was issued to Risk Advisory Services.

Realcover successfully migrated from New Zealand and was incorporated in Australia as at 9 July 2008, and was licensed by APRA effective 31 December 2008.

"Importantly, Realcover remains the only real estate industry-owned professional indemnity insurer operating in Australia," John told the conference.

In recent months Realcover has started offering professional

indemnity insurance to agents outside of NSW, and is achieving some good results.

Realcover is now operating in Victoria and Tasmania as the endorsed insurer for both REIs. In just a few months Realcover has written policies to cover almost 200 agencies outside of NSW, with the peak renewal period coming up soon.

"The advantage for agents is that Realcover's fixed overheads can be spread over a larger pool of premiums nationally, resulting in overall savings which will continue to flow through to premiums," John explained.

"Looking to the future, Realcover will be offering additional types of insurance to agents, such as landlords insurance. Look out for some exciting announcements in the new year."

In further news, John announced the appointment of Gallagher

Broking Services as Realcover's distribution agent in NSW from 1 January 2010.

"The appointment of Gallagher in NSW will result in policy holders and REINSW members receiving a comprehensive solution to their insurance needs," John said. "Customers are paramount to Realcover's success and, as distribution agents, Gallagher is well-positioned to uphold Realcover's standards of superior customer service."

"There are a lot of positive things happening in relation to Realcover," John said. "Everything is pointing toward a period of huge growth."

"The thing we are most proud of is that we continue to support agents as we believe they should be supported."

"Thanks to REINSW members for their continued support," he concluded.



Changing your view of data

PDOL
Property Data Online

realestateview.com.au
the view that counts

In exciting news, the State Conference heard that a joint venture agreement had been signed between REINSW and REIV to bring property data and a listing portal to NSW agents.

"REINSW and REIV have joined together to do what they always should have been doing – taking control of our own data," said Petra Sprekos, General Manager of realestateview.com.au

"In 2010 we will be launching Property Data Online (PDOL) and realestateview in NSW – two robust products that already have a proven track record in Victoria, Tasmania and South Australia.

"In excess of 1,000 agents across three states are already reaping the benefits of these products."

In fact, realestateview.com.au is the number three online listing

portal in Australia and, along with PDOL, has been up and running in Victoria for almost eight years.

But it is so much more than simply an online portal. The portal is just the means by which data is collected – and the ability of the industry to control its own data is the key!

The REINSW members' package will include:

- agent collected information
- real time sales data via the National Call Centre
- Valuer-General data
- mapping
- portal and multi-loading service (when you purchase the data product, your subscription includes unlimited listings across all categories)
- agent tools and rental archives

- frequent training and full customer service
- ... and much more.

Delegates at the conference were urged to support PDOL and realestateview, so that eventually the whole industry can benefit from the data that it collects instead of having to buy it back from commercial providers.

Petra encouraged delegates to consider the long-term benefits that the products could make to the industry – but only if agents threw their support behind it.

"Everything revolves around the data collected to benefit you, the members," she said.

More information about PDOL and realestateview.com.au will be available in the new year.



STEVE MARTIN, JULIE MCDONALD FROM THE ST VINCENT DE PAUL SOCIETY AND WAYNE STEWART CONGRATULATE WINNER MEREDITH O'REILLY (SECOND FROM RIGHT).



FUTURE AUCTIONEERS TOGETHER ON STAGE



THE CALIBRE OF THE FINALISTS MADE IT A DIFFICULT CHOICE FOR THE JUDGES: DAVID PENTECOST, KATE LUMBY AND SAM KREMER.

No reservations

WHEN YOU'RE JUST STARTING OUT, IT TAKES A LOT OF COURAGE TO STAND IN FRONT OF A CROWD AND CONDUCT AN AUCTION. CONGRATULATIONS TO ALL THE FINALISTS IN THE 2009 NOVICE AUCTIONEERS COMPETITION STATE FINAL FOR ACCEPTING THE CHALLENGE AND DEMONSTRATING THEIR PROFESSIONALISM AND SPIRIT ... BUT THERE COULD ONLY BE ONE WINNER.

It was all action as the 10 finalists took to the podium to demonstrate their verbal dexterity and raise money for REINSW's charity of choice – the St Vincent de Paul Society.

There was something for everyone, with auction lots including a helicopter ride over Sydney Harbour, luxury accommodation packages, a designer necklace, and two rounds of golf at the Australian Golf Club with lessons from the club professional. Throughout the evening, the bidding came thick and fast – keeping the finalists on their toes.

While all the finalists were polished performers, Meredith O'Reilly from Keith Soames Real Estate emerged from the pack to take out the title, her auctioneering style lending a dramatic flair to the evening. Auctioning a one-of-a-kind Vivian Chan Shaw necklace, Meredith raised \$700 by the fall of the hammer.

To celebrate her win, Meredith then returned to the stage to auction a limited-edition, signed copy of MasterChef winner Julie Goodwin's new book.

"What a thrill," Meredith said. "The excitement of being on stage in front of this great crowd was a real rush."

Just as it seemed the excitement was over, seasoned auctioneer and industry identity Damien Cooley introduced two extra lots – a Triple M radio advertising package and a Domain online advertising package.

In all, an overwhelming \$23,680 was raised over the course of the evening.

"I don't know what to say," said Julie McDonald from Vinnies. "The money raised tonight equates to a lot of help to a lot of people. It will take a lot of people off the street

and really contribute to helping them turn their lives around.

"I just want to say to every single person here tonight, thank you so much."

The 2009 REINSW Novice Auctioneers Competition was, without a doubt, the most successful to date – 37 competitors in seven Divisional competitions around the state raised more than \$58,000 for charity.

The 2010 competition is shaping up to be bigger and better. Divisional competitions will kick off in mid-2010. So if you've ever thought you might like to try your hand at the fine art of auctioneering, why not give it a go? You might just find that you have an exciting new career on your hands. ♦

And the finalists are ...

- **James Chauncy**
(McGrath Residential)
East Division
- **Andrew Cooley**
East Division
- **Matthew Hansen**
(Ray White Dubbo)
Orana Division
- **Oliver King**
(Richardson & Wrench Miranda)
St George & Sutherland Shire
Division
- **Bo Lamprey**
Riverina Division
- **Josh Larsen**
(McGrath Residential)
East Division
- **Lachlan MacDonald**
(Ray White Terrigal)
Central Coast
- **Meredith O'Reilly**
(Keith Soames Real Estate)
North Division
- **Eddy Piddington**
(McGrath Manly)
Northern Beaches Division
- **Aaron Walters**
(Bruce Lyon Real Estate)
North West Division

Appetite for growth continues in real estate industry



MACQUARIE
BANK

THE GLOBAL FINANCIAL CRISIS (GFC) MAY HAVE CAST A DARK CLOUD OVER MANY INDUSTRIES BUT THE RESIDENTIAL REAL ESTATE INDUSTRY HAS WEATHERED THE FINANCIAL STORM BETTER THAN MOST. ACCORDING TO THE INSIGHTS OF MORE THAN 430 REAL ESTATE AGENCIES ACROSS AUSTRALIA WHO PARTICIPATED IN MACQUARIE RELATIONSHIP BANKING'S 2009 REAL ESTATE SURVEY, THE INDUSTRY'S APPETITE FOR GROWTH IS STILL STRONG AND THE FUTURE IS LOOKING BRIGHT FOR NEW SOUTH WALES (NSW).

The survey revealed that despite the recent economic challenges, the residential real estate industry across Australia fared well following the market downturn. Confident of improving market conditions and buoyed by an increased awareness of the value of a more regular income stream, 88 per cent of agencies are looking to grow their property management business through organic growth and/or acquisition during the next two years.

While it is encouraging to see confidence growing, there is set to be increased competition, particularly in property management as demand for rent roll acquisitions exceeds supply with less than five per cent of the market intending to sell their rent roll.

This focus on property management has been driven primarily by the desire for more consistent cash flow as a result of the challenging market conditions

experienced during the past 18 months. According to the survey, sales still typically count for 63 per cent of agency revenue while property management accounts for 36 per cent but there has certainly been a slight shift from the 2007 results due to a reduction in sales across the board and the relative stability of property management.

In the past 12 months, the average agency completed 126 property sales, down from 151 per agency in 2007. The national average of days on the market has also increased from 47 days in 2007 to 67 days during the same period. However, NSW bucked the trend here. All states have declined in the average number of property sales per office since 2007 except for NSW which has picked up considerably.

This supports Macquarie's broader property market research that suggests NSW is comparatively well placed for recovery given it didn't have the 2007 property boom that the other states enjoyed. Consequently, NSW is in the 'pick up phase' after five years of comparative poor performance and is well placed to lead the other states into a more protracted residential property market recovery.

The Government's response to market conditions with the introduction of the First Home Owner Grant (FHOG) and record low interest rates were both welcome additions to the industry. While the average number of sales

WHILE IT IS ENCOURAGING TO SEE CONFIDENCE GROWING, THERE IS SET TO BE INCREASED COMPETITION, PARTICULARLY IN PROPERTY MANAGEMENT AS DEMAND FOR RENT ROLL ACQUISITIONS EXCEEDS SUPPLY WITH LESS THAN FIVE PER CENT OF THE MARKET INTENDING TO SELL THEIR RENT ROLL.

declined during the past two years, more than half (52 per cent) of the agencies believed the FHOG had an enormous or significant positive impact on their sales turnover and more than a third highlighted an enormous or significant positive impact caused by declining interest rates. More than one in three (36 per cent) sales were to first home buyers during the past 12 months.

NSW appears to have benefited the most from the FHOG with first home buyers accounting for 42 per cent of house sales compared to a national average of 36 per cent. More than half (52 per cent) of the agencies in NSW also believed the

decline in interest rates during the past 12 months had an enormous or significant impact on sales turnover, compared to a national average of 37 per cent.

In addition, NSW had the highest percentage of house sales worth more than \$1 million. In NSW, 12.5 per cent of sales fetched more than \$1 million compared to a national average of nine per cent.

Yet, while NSW agencies are by far the most effective at converting sales from their rent roll to sales commission income, NSW is by far the most pessimistic with just under a quarter of all agencies (24 per cent) not expecting to see sales commissions increase in the next 12 months.

While commission rates remain below the national average in NSW, for the first time in more than a decade, the average sales commission rate charged to sellers increased. The lower sales volume period during the past 18 months may have resulted in many challenges for the industry across Australia but it appears agencies in NSW managed these necessary changes well and are now on track for future growth.

Nick Dowling, Head of Real Estate at Macquarie Relationship Banking. To find out more about the Macquarie Relationship Banking's 2009 Real Estate Survey please call 1800 441 736 or email relationshipbanking@macquarie.com

Keep learning



NEWS

- From early 2010 REINSW, in partnership with REISA, will be offering a new qualification via eLearning – Diploma of Property Services (Agency Management). Specifically for Principals who want to learn how to better manage their agency and implement best practice, the Diploma will cover everything from leadership skills and people management techniques, to implementing business plans and setting budgets.
- Interested in a career in the highly-specialised fields of strata management or business broking? An exciting new addition to REINSW's training mix in 2010 will be face-to-face Certificate of Registration and Licensing courses in both these areas. Whether you just want to brush up on your knowledge or are committed to a career in one of these fast-paced specialties, REINSW has a course for you!
- The NSW Government is proposing a raft of changes to the *Residential Tenancies Act*. The changes are aimed at updating and streamlining existing tenancy laws. Some new measures are also proposed. What will it mean for you? REINSW is currently looking at the changes and will be incorporating them, once enacted, into CPD programs in 2010.

For more information about any of the above items, email training@reinsw.com.au

Residential Sales Conference

Tuesday, 23 February 2010

Top performers always strive for more. They welcome every opportunity to improve their performance and understand the need to continually hone their skills and knowledge.

We've brought together a group of dynamic speakers who are leaders in their fields. They will provide you with the tools you need to consistently perform at the highest level and excel as an agent.

- **Why we will come knocking on your door**
A senior investigator from the NSW Office of Fair Trading
- **Comparable sales – tips for agents**
Colin Rooke – Dyson Austen
- **Compliance – protecting your commission**
David Pentecost – REINSW Compliance Auditor
- **Effective exchange and deposits**
Tony Cahill – legal author and commentator

Don't miss it – this conference is a must for all residential sales professionals and buyers' agents!

EARLY BIRD SPECIAL – Book before 9 February 2010 and save!
REINSW members \$199 / Non-members \$245

Register online today at www.reinsw.com.au or call (02) 9211 8707

You have the experience, why not use it

At REINSW we believe that you shouldn't have to spend time re-learning things you already know. By documenting your skills and knowledge, and providing evidence of your experience, we can assess whether you already meet industry competency standards.

Through the REINSW Recognition of Prior Learning (RPL) Program, you can potentially cut your training time down significantly – and in some instances eliminate the need for additional formal training altogether.

RPL is available in the areas of Real Estate, Buyers' Agency, Business Broking, On-site Property Management and Strata Management, and includes Certificate of Registration and Licensing qualifications.

You have the experience – why not take the opportunity to turn it into a qualification?

For more information or to apply for RPL, contact Shawn Dern on (02) 8267 0509 or email sdern@reinsw.com.au



BY SUSAN HULL
REINSW EDUCATION & TRAINING
MANAGER

Even though the calendar year is drawing to a close and the festive season is upon us, there is a great deal of excitement in the air about next year's conferencing, events and training schedules.

We've all been working hard to get our new courses up and running in time for the new year. The Christmas break will give us all just enough time to re-charge before an eventful Centenary year kicks off – a year that will be full of best practice training and CPD initiatives for members to choose from.

Our first really big event is the Residential Sales Conference in February, which promises to be a really exciting event. See you there!

New trainers and speakers will be coming on board in 2010, each with top flight expertise in their specialist areas, and we hope to offer each sector of the industry first-class training experiences.

My Christmas wish is to be able to get out and about more next year, meet more members and talk to you first hand about your training needs.

Merry Christmas and Happy New Year from the Education & Training Team!

REINSW Training Calendar

JANUARY/FEBRUARY 2010

JANUARY

MON	TUE	WED	THU	FRI	SAT	SUN
<p>DISCOVER THE FLEXIBILITY OF ONLINE LEARNING</p> <p>No time to leave the office to do your training? With REINSW eLearning you don't have to!</p> <p>eLearning allows you to fulfill your training requirements at a time that is convenient to you while still having access to the quality and experience that you expect from REINSW.</p> <p>Go to www.reinsw.com.au</p>				1	2	3
4 REINSW OFFICE REOPENS	5	6 SYDNEY Real Estate Licensing Course (part time) continues	7	8	9	10
11	12	13	14	15	16	17
<p>SYDNEY Course in Property Practice (full time) – 5 days</p>						
	SYDNEY CPD Win the Business (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues				
18	19	20	21	22	23	24
<p>SYDNEY Course in Property Practice (full time) – 5 days</p>						
	SYDNEY CPD Playing It Smart – Essential OH&S for Property Managers (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues	ORANGE CPD Stock and Station (9.00am-1.00pm)			
			ORANGE Experienced Agents Licensing Course			
25	26 PUBLIC HOLIDAY AUSTRALIA DAY	27 SYDNEY Real Estate Licensing Course (part time) continues	28 CANNBERRA CPD Stock and Station (9.00am-1.00pm)	29	30	31 CANNBERRA Experienced Agents Licensing Course

CPD workshops \$199/\$245 – go to www.reinsw.com.au for course descriptions

Specialists skills workshops

Course in Property Practice (full and part time as indicated) \$590

Price includes REINSW Student Membership

Full-time course over 5 consecutive days. Part-time course every Saturday for 5 weeks.

FEBRUARY

MON	TUE	WED	THU	FRI	SAT	SUN
1	2	3	4	5	6	7
SYDNEY Course in Property Practice (full time) – 5 days						
BOWRAL CPD The Lease and the Law (1.00pm-5.00pm)	SYDNEY CPD Mastering Management (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues				
	YASS CPD The Lease and the Law (1.00pm-5.00pm)	QUEANBEYAN CPD The Lease and the Law (1.00pm-5.00pm)				
8	9	10	11	12	13	14
	SYDNEY CPD How to have a compliant agency (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues				
		TWEED HEADS CPD Win the Business (9.00am-1.00pm)				
		TWEED HEADS Experienced Agents Licensing Course				
		SYDNEY Breakfast Club (7.30am-9.30am)				
15	16	17	18	19	20	21
		CANBERRA CPD How to have a compliant agency (9.00am-1.00pm)				
SYDNEY – Real Estate Licensing Course (full time) – Week 1 Introduction to Agency Practice – 4 days		SYDNEY Real Estate Licensing Course (part time) continues				
SYDNEY Course in Property Practice (full time) – 5 days						
	SYDNEY CPD Steps to Listing Success for Property Managers (9.30am-1.30pm)	WAGGA WAGGA CPD Stock and Station (9.00am-1.00pm)				
	CANBERRA CPD The Lease and the Law (9.00am-4.00pm)	WAGGA WAGGA Experienced Agents Licensing Course				
22	23	24	25	26	27	29
SYDNEY – Real Estate Licensing Course (full time) – Week 2 Establishing and Maintaining Trust Accounts and Agency Finances – 5 days						
		SYDNEY Real Estate Licensing Course (part time) continues	PORT MACQUARIE CPD Win the Business (9.00am-1.00pm)			
			PORT MACQUARIE Experienced Agents Licensing Course			
30	31	 <p>setting the standard for real estate training www.reinsw.com.au</p> <p>with the Real Estate Institute of New South Wales</p>				

■ Experienced Agents Licensing Course (available in Business \$999/\$1499, Real Estate \$1499/\$1999 and Stock & Station \$2499/\$2999 categories)
■ Breakfast Club \$65/\$90

■ Real Estate Licensing Course (full and part time as indicated)
 \$3370/\$4225 Full-time course over 6 weeks (flexible enrolment options available).
 Part-time course every Wednesday for 24 weeks.
 Prices are indicated as member/non-member and GST inclusive

THE LEASE AND THE LAW

Ensure you understand the respective rights of all parties to the Residential Tenancy Agreement. Find out about the important terms and gain an understanding of how to apply the *Residential Tenancies Act* on a daily basis.

Bowral 1 February 2010
Yass 2 February 2010
Queanbeyan 3 February 2010
Canberra 16 February 2010

Queanbeyan and Canberra \$199 REINSW/REIACT members / \$245 Non-members
Bowral and Yass \$55 per person.
These regional courses are provided with the assistance of the NSW Office of Fair Trading.

REAL ESTATE LICENSING COURSE (FULL TIME) – 5 WEEKS

The next step for real estate agents who have a Certificate of Registration. As a licensed real estate agent you can manage your own agency and take greater responsibility for the marketing, management and sale of property.

Sydney Starts 15 February 2010

Cost \$3370 REINSW members / \$4225 Non-members

HOW TO HAVE A COMPLIANT AGENCY

Hear practical solutions for agency success and learn how to meet industry best practice. This course will identify your strengths, giving you the tools to succeed in this ever-changing economic environment.

Sydney 9 February 2010
Canberra 17 February 2010

Sydney \$199 REINSW members / \$245 Non-members
Canberra \$99 REINSW/REIACT members / \$135 Non-members

WIN THE BUSINESS

This interactive course is designed to help you create more listings. Increase your success - come away armed with 10 prospecting strategies and 7 steps to help you prepare for a negotiation.

Sydney 12 January 2010
Tweed Heads 10 February 2010
Port Macquarie 25 February 2010

Cost \$199 REINSW members / \$245 Non-members

COURSE IN PROPERTY PRACTICE (FULL TIME)

Kickstart a successful career in real estate. The comprehensive five-day Course in Property Practice will give you all the skills you need to achieve the best results in this dynamic and challenging profession.

Sydney 11 January – 15 January 2010
Sydney 18 January – 22 January 2010
Sydney 1 February – 5 February 2010
Sydney 15 February – 19 February 2010

Cost \$590 (includes free Student Membership)

MANAGEMENT COURSE

Don't just be a good manager - be a master! With a focus on setting expectations and measuring performance effectively, this course offers strategies to ensure that you get the right results every time.

Sydney 2 February 2010

Cost \$199 REINSW members / \$245 Non-members

STOCK AND STATION

Minimise your risk. Learn how to ensure that your agency is compliant, prevent misrepresentations of rural property and livestock, develop a risk management plan and how to avoid OH&S issues in relation to clearing sales.

Orange 21 January 2010
Canberra 28 January 2010
Wagga Wagga 17 February 2010

Cost \$199 REINSW/REIACT members / \$245 Non-members

PLAYING IT SMART – ESSENTIAL OH&S FOR PROPERTY MANAGERS

Your expert trainer will present case studies that highlight critical OH&S issues. Learn simple steps to implement systems within your agency to protect yourself, your tenants and your owners from injury and litigation.

Sydney 19 January 2010

Cost \$199 REINSW members / \$245 Non-members



Trainer of the month YORGO KAPORIS

Yorgo Kaporis has almost 20 years experience in the real estate industry, and has worked in both the government and private sectors. He is a licensed real estate agent specialising in property management services and assessment management, and is a qualified Workplace Trainer and Assessor.

Yorgo has a reputation for being an unconventional trainer – thinking outside the normal real estate square – and has a unique ability to engage and inspire his audience. He uses his own distinctive blend of student interaction and lively communication skills to engage students and inspire excellence.

He has facilitated many courses over the years including Continuous Professional Development, the Course in Property Practice, Licensing courses and a variety of skills-based courses.

Yorgo was the hit of the day at this year's Women in Real Estate Conference. As MC, he brought a fresh perspective and boundless energy to the podium, effortlessly entertaining attendees throughout the day – many of who vowed to come back in 2010 only if Yorgo makes an encore appearance!

2010

REINSW Conferences
Mark these dates in your diary today

Residential Sales Conference
Tuesday, 23 February 2010

Property Management Conference
Wednesday, 17 March 2010

Strata Management Conference
Wednesday, 26 May 2010

Holiday & Short-Term Rentals Conference
Wednesday, 18 August 2010

Commercial Property Conference
Wednesday, 15 September 2010

Women in Real Estate Conference
Wednesday, 27 October 2010

Young Agents Conference
Wednesday, 1 December 2010

For more information or to register for a course call (02) 9211 8707 or go to www.reinsw.com.au/training

CRM: the way forward in client satisfaction

MANAGING YOUR CLIENTS AND PROSPECTS IS AN ONGOING BUSINESS PROCESS THAT ALLOWS YOU TO FOCUS ON GAINING, GROWING AND NURTURING THE RIGHT CUSTOMERS FOR YOUR BUSINESS.

Managing your business, tracking customer needs and information, and organising the capture, sharing and storing of your company data are all critical parts of your business.

What is CRM?

CRM, or Customer Relationship Management, is a company-wide business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. It is used to learn more about customers' needs and behaviours in order to develop stronger relationships with them.

True CRM brings together information from all data sources within an organisation (and where appropriate, from outside the organisation) to give one, holistic view of each customer in real time.

When you use CRM software, each of these needs and more can be efficiently managed, productively directed and easily accessed within your organisation.

Repeat business and referral is directly related to customer satisfaction, and addressing the needs of your real estate agency marketing, sales and customer service can radically enhance your repeat business chances.

Sharing information on lead prospects, customer information and customer support materials in a standardised, organised and universally-recognised format is one of the many strengths of CRM software. The successful application of information software usage continues to augment the success of real estate agencies

and deliver a competitive advantage – as well as a rise in repeat business.

Using CRM software to organise customer information, client trends and needs can also help you generate more leads based on accurate information which is well stored and instantly accessible.

Implementing CRM successfully

CRM for real estate is a reflection of a business strategy to focus on the client. But to do so, a business must take into account many other systems – such as listing management and web sites, visibility in search engines, email systems, trust accounting software, property management systems, property databases and mapping programs and more. A lot to think about!

To say it simply – to be most effective, CRM should be the hub of all your client data: a one-stop shop of client knowledge that integrates all the data from the above systems.

CRM aims

- Improve customer service using real time data
- Single location for previously multiple data sources
- Increased productivity with less resources

What are a real estate agency's choices for CRM software?

- Trust accounting systems with some contact management functions
- Proprietary (created in Access or Filemaker Pro etc) listing based systems with some contact management functions
- MS Outlook, which has some contact management functions
- True CRM systems such as ACT! (LAN and web), Sales Logix (LAN and web), which are not real estate specific unless modified

- Real estate specific CRM systems

Important considerations

There are many important elements to consider when implementing a real estate CRM system, including:

- central database across offices or separate
- web based or LAN based, or a mix
- listing website integration
- HTML email and letter merge facilities
- data security and access for individual agents
- trust accounting integration
- data migration from existing systems
- real estate campaign management tracking
- automated process engineering
- training and customising

Tips for good CRM

1. **Logical processes:** The customer views their interactions with you from their side of the fence. Their interactions must feel part of a logical process and deliver an end-to-end experience. Businesses all too rarely take this 'outside in' view. Also, implementing CRM enables a business to critically examine its current processes before codifying them.
2. **Client analysis:** The more you know about a customer, the more they expect you to 'get it right'. Businesses have been extremely poor at leveraging their customer data to improve their overall performance whether in product development, process improvement, sales targeting or operational management. Excellent analytics have to be core to the business. Technology has been deployed to cut costs and target low value customer segments.

TO BE MOST EFFECTIVE, CRM SHOULD BE THE HUB OF ALL YOUR CLIENT DATA: A ONE-STOP SHOP OF CLIENT KNOWLEDGE THAT INTEGRATES ALL THE DATA FROM THE ABOVE SYSTEMS.

3. Client control: Technology is an enabler to offer self service, and putting the customer in control. The critical aspect is using it to make the services accessible to customers when they need them. Unless it's simple, they won't use them.

There are many technological components to CRM, but it is important to also keep in mind that it is more than just a system or technology. A good way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends.

After all, good customer relationships are at the heart of business success. ♦

What is a LAN?

A local area network (LAN) consists of two or more computers connected together in a building or home using software and hardware. In a LAN, there is a main computer or server, and remote computers called clients. By creating a LAN in the home or office, computers on the LAN can share files, resources, and if desired, an internet connection.

What is web-based CRM?

Information is stored online and accessible with web-based CRM software. The benefits of web-based CRM begin with the fast setup. If you choose to use a web-based CRM platform, the system is already in place – all you must do is customise it and import the information you already have on file. With web-based CRM, your information is stored online, rather than hogging the valuable space on a smaller hard drive.

Weathering the storm

COMMERCIAL

IS THE COMMERCIAL PROPERTY MARKET DOWNTURN OF 2009 JUST ANOTHER MARKET CYCLE OR A TOTALLY NEW BALL GAME?

TO ANSWER THIS KEY QUESTION JONES LANG LA SALLE HAS REPORTED ON HOW THIS DOWNTURN COMPARES TO THE PREVIOUS DOWNTURN IN THE 1990S. HOW HAVE WE WEATHERED THE GLOBAL FINANCIAL CRISIS STORM SO FAR? AND WHAT DOES THE FUTURE HOLD?

The office markets have seemingly weathered this downturn significantly better than in the 1990s.

Dr David Rees, Australasian Head of Research at Jones Lang LaSalle said factors supporting the real estate market this time, which were limited or absent in the 1990s cycle, included lower interest rates, balanced supply and demand, policy measures and capital flows from offshore investors.

"The 1990s downturn took three years, from peak to trough. In comparison, the current downturn is likely to last for two years, with capital values stabilising early in 2010.

"We can see evidence of the decline in values happening more quickly this time around, which of course means we will reach

the bottom of the market faster and then recovery is possible.

"Factors that support a quicker recovery than last time include our low interest rates and that the supply/demand equation is more in balance this time, resulting in limited risk of an over-supply in CBD markets.

"Compare this with the 1990s when new supply continued to arrive in the office market for several years after the property market and the economy was in recession. We are unlikely to see a repeat of this, as the majority of construction activity is currently on hold.

"Economic policy is also more supportive and is currently directed towards stimulating the economy. Last time around the policy was aimed at slowing the economy.

"Vacancy rates in most CBD office markets are likely to peak in the 10% to 11% range during 2010, well below the vacancy rates of 20% and above recorded in the early 1990s. So we won't see a replay of the early 1990s when office values fell 45% in response to the increasing vacancy.

"Offshore investors are also continuing to be attracted to the fundamentals of the Australian market, which compares favourably

to many offshore markets in terms of stability, transparency and the medium term investment performance," Dr Rees said.

Revealing the similarities

The current Australian commercial property market downturn commenced in March 2008. The previous property market downturn lasted three years, from September 1990 to December 1993. Assuming an easing of credit market conditions, the current downturn is likely to last two years, with capital values stabilising in early 2010.

A comparison of the two market cycles reveals many similarities:

1. A period of rapid credit expansion and strong economic growth.
2. Economic growth supported above trend rental growth for at least five years prior to the market downturn.
3. Yield compression, with prime yields across CBD office markets converging around 6% to 7% in both cycles. In the retail sub-sector the yield gap between regional, sub-regional and neighbourhood shopping centres narrowed sharply.
4. Sharemarket volatility (the October 1987 and the 2001 dot-com

crashes) encouraged safehaven capital flows into real estate.

Understanding the differences

Equally important are the differences between this downturn and that of the early 1990s:

1. The supply/demand conditions and capital values in office markets are more benign in the current cycle than was the case in the early 1990s. In the five years prior to the September 1990 peak, around 3.6 million sq m of new supply was added compared to an estimated 2.6 million sq m between 2005 and the end of 2009.
2. Economic policy is emphatically directed towards stimulating the economy rather than slowing it as was the case in the early 1990s.
3. Interest rates are lower and fiscal policy is more supportive.
4. Development activity in the current cycle is more restrained, with a much higher rate of tenant pre-commitment.

What's different this time

Office markets are likely to weather this downturn significantly better than in the early 1990s cycle because:

1. Risk-adjusted yields and capital values are substantially less ambitious than was the case





VACANCY RATES IN MOST CBD OFFICE MARKETS ARE LIKELY TO PEAK IN THE 10% TO 11% RANGE DURING 2010, WELL BELOW THE VACANCY RATES OF 20% AND ABOVE RECORDED IN THE EARLY 1990S.

in the late 1980s. Adjusting for inflation, average prime CBD office values at the peak of the current cycle (March 2008) were only 6.4% above values prevailing at the trough of the previous cycle (December 1993).

2. Vacancy rates are forecast to peak at around 10% to 11% during 2010 in most CBD office markets – well below the peak vacancy levels recorded in the early 1990s.
3. The supply pipeline is considerably smaller and in the past 12 months cancellation or postponement of projects has reduced medium term supply by around 600,000 sq m across CBD markets.
4. Fewer white collar jobs are forecast to be lost during the

current downturn and tighter workspace ratios imply that less space will be vacated per worker retrenched than in the early 1990s.

5. This current downturn will not see yields return to the levels of the early 1990s because interest rates are low compared with the previous cycle, vacancy rates will remain lower, particularly for prime grade office, and institutional ownership of property assets is more extensive.

Sydney and Melbourne CBDs will be most impacted by rising unemployment with their exposure to the finance and insurance sector likely to result in a net reduction in demand of 128,000 sq m and 96,000 sq m respectively.

Retail looks resilient

Retail property is likely to be resilient during this downturn, as it was during the previous cycle, because:

1. While growth in retail spending will slow, this key driver of rental growth is inherently less volatile than white collar employment and business investment, the drivers of office and industrial property markets.
2. The shift of institutional investors into subregional centres in recent

years has led to efficiency gains and operational improvements that should be reflected in greater stability of income and tighter yields.

However, in contrast to the previous cycle, regional retail centres are valued at yields in the 5.75% to 6.75% range, compared to around 8% in the early 1990s. Capital values are likely to decline by 5% to 15% during 2009. Continued positive rental growth, albeit modest, will help to offset further yield increases of 25 to 50 basis points through to 2010.

Industrial property has recorded a substantial increase in institutional ownership and capital investment since the early 1990s, with greater centralisation of operations and efficiency gains in logistics.

In the industrial sub-sector, yield compression exceeded the other sub-sectors during the boom period 2000 to 2007 and a retraction can be expected. Values are expected to decline by 30% to 35% peak-to-trough, roughly in line with the decline recorded in the early 1990s.

Market insight

JOHN TALBOT, HEAD OF CAPITAL MARKETS, JONES LANG LASALLE AUSTRALIA

The Banks' approach

Banks appear to be taking a 'nurturing' approach rather than a 'slaughtering' approach to their borrowers' balance sheet difficulties. Those real estate owners with good platforms, good management teams, good interest cover and good assets will be 'nurtured'. Those without these ingredients are likely to be 'slaughtered'.

Whilst Loan to Value (LVR) ratios and book values are being

closely monitored, most financial institutions seem to be more focused on adequate income and interest cover considerations than just LVR. In the short term this is likely to see less loan delinquency and resultant forced selling into the market than was seen in the early 1990s.

Where there will be an increase in distressed selling it will be at the secondary 'fringe' end of the market and this is likely to exacerbate the expected widening yield gap between prime and secondary assets.

In all three sub-sectors (office, retail and industrial) secondary grade asset values will be under pressure for an extended period of time, as they were after the 1990s downturn. This process will take several years to resolve. Yield spreads between prime and secondary grade assets, which narrowed sharply prior to the 2007 market peak, will widen again.

As yield spreads widen again and market pricing become more discriminating, opportunities will emerge to upgrade and reposition secondary grade assets; increased emphasis will be placed on property management.

The combined impact in the A-REIT sector and the unlisted syndicate sector will see more 'distressed' assets come to the market given the increasingly challenging alternatives of rolling over debt or new equity raisings in the short-term. With subdued domestic buyer interest, buyers are likely to come from offshore. This offshore capital falls broadly into two groups. Firstly, the European investment funds (closed and open ended) and sovereign wealth funds from Asia and the Middle East who are focusing on passive and core opportunities.

A new ballgame? Risks and opportunities

Profile of the two market cycles

	Indicator	Peak Sep-90%	Trough Dec-93%	Peak Mar-08%	Trough Mar-10%
Office	CBD Vacancy*	11.4	20.3	5.5	10.5
	Yield (CBD Prime)	6.9	8.4	6.5	8.25
	Capital value growth**	58	-44	33	-20 to -25
Retail	Yield (Regional)	8.25	8.0	6.0	7.0
	Capital value growth**	40	5	27	-1 to -15
Industrial	Yield (Regional)	9.4	11.2	7.0	8.75
	Capital value growth**	30	-30	17	-25 to -30
REIT index	Total return*	10.8	67.2	15.6	
All Ords	Total return*	01.5	83.2	48.7	

*Year end
**Three year change

Source: Jones Lang LaSalle, ABS, RBA, PCA/IPD

Secondly, private equity funds out of Asia are also increasingly looking at distressed or value-added opportunities higher up the risk curve.

Don't forget the positives

Given the choice, owners, investors and bankers with exposure to direct property would probably opt to live through the current property market downturn

in preference to the cycle of the early 1990s.

This does not imply that the property market will return to "normal" by early 2010. As the previous cycle shows, reverberations from the current downturn will continue for years. The A-REIT sector is likely to experience massive restructuring and consolidation. Offshore investors are likely to be

more significant participants in the domestic market. New financing vehicles may emerge to fill the vacuum in the debt funding space.

The next 12 months is a window of opportunity to buy or sell assets, reposition portfolios, consider long-term investment strategies, develop new investment products and prepare for the next phase of the property cycle. ♦

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Exchanging contracts – it's not so simple

BY PAULINE CURRAEY

Agents participating in the exchange of contracts for sale of residential property should bear in mind the provisions of section 64(3) of the *Property, Stock and Business Agents Act 2002* (PSBAA):

A real estate agent who exercises any function pursuant to this section on behalf of any person who is a party or a prospective party to any contract or proposed contract is liable to compensate that person for any loss, damage or expense suffered or incurred by that person as a result of any negligent act or omission, or any unauthorised action, of the real estate agent in the exercise of that function.

For residential transactions a real estate agent is authorised¹ to “fill in” limited details on the contract. However, a real estate agent is not authorised to add terms or conditions to a contract or to amend any of the terms and conditions contained in the contract as prepared by the vendor’s licensed conveyancer or solicitor.

A contract is an important legal document which sets out the complete terms and conditions of the agreement between the vendor and the purchaser. A properly exchanged contract creates legally enforceable rights and obligations between the parties.

It is therefore vital that the actions of a real estate agent participating in the exchange process do not jeopardise the enforceability of the contract or result in unintended consequences for either party.

This article clarifies some aspects of filling in and exchanging contracts where difficulties arise.

Exchange with a cooling-off period

There appears to be a common misconception that the cooling-off legislation provides for payment of

a part deposit (0.25% of the sale price) on exchange of contracts. This is not the case.

The cooling-off legislation² does not make any provision relating to the amount of deposit payable on exchange. The amount of deposit for a particular transaction is as provided for in the sale contract (typically 10% of the sale price).

The cooling-off legislation grants to a purchaser a cooling-off period commencing on the date of exchange of contracts and ending at 5.00pm on the fifth business day after the date of exchange. At any time during this period the purchaser may, by written notice, cancel the contract. If the purchaser does not give the required written notice within the cooling-off period, the right to cancel the contract lapses. A purchaser who exercises the cooling-off right is entitled to a refund of their deposit, subject to deduction from deposit monies of the amount equal to 0.25% of the sale price which is paid to the vendor.

If the parties agree to payment of the deposit by instalments (for example 0.25% of the price on exchange and the balance of the 10% deposit prior to expiry of the cooling-off period), an appropriate condition must be included in the contract prior to exchange reflecting this agreement. This would normally be drafted by the legal representative of the vendor.

The amount shown on the front page of the contract as the deposit must be the full deposit amount for the sale. It is also normally the maximum amount the vendor can claim if the purchaser fails to complete the contract as required.

The provision in the standard contract³ for payment of the deposit amount shown on the front page of the contract is an “essential” term of the contract. Where the contract does not contain any additional term dealing

with a part payment of deposit, a purchaser who does not pay the full 10% on exchange is immediately in default of this “essential” term and is exposed to possible termination of the contract by the vendor and a claim for damages.

When filling in the deposit amount on the front page of the contract, clarification should be sought from the vendor’s legal representative about the amount required to be shown. Generally, the requirement is that the full 10% amount be inserted regardless of the fact that a lesser amount is to be paid at the time of exchange.

Exchange with a 5% deposit

Purchasers often seek the agreement of a vendor to a reduced deposit amount (typically 5% of the sale price). Again, care must be taken in filling in the deposit amount on the front page of the contract in these circumstances and instruction should be sought from the vendor’s legal representative.

As is the case with exchange with a cooling-off period on a part deposit, usually the full 10% amount of deposit will be required to be shown on the front page of the contract and an appropriate condition added to the contract by the vendor’s legal representative allowing for payment of the deposit by two instalments, 5% of the price on exchange and the balance at a later date.

Exchange at auction

Conditions for sale by auction, prescribed by Regulation 18 of the *Property, Stock and Business Agents Regulation 2003* (PSBAR), are required to be displayed at the auction.⁴

Under these conditions a bidder is “taken to be a principal unless, before bidding, the bidder has given to the auctioneer a copy of a written authority to bid for or on behalf of another person.”⁵ A principal is the party who will be taken to have entered into the

contract with the vendor on the fall of the hammer. The signing of contracts after the fall of the hammer is required so that the contract entered into can be enforced legally.⁶

Where a property is sold at auction the auctioneer must ensure that a legally enforceable contract is created and must therefore ensure that the contract is signed promptly after the fall of the hammer. The auctioneer has authority to sign the contract for the vendor and also for the purchaser if either is unable or unwilling to sign. Where, due to the actions (or non action) of the auctioneer, an enforceable contract is not created, the auctioneer will be liable to the vendor.⁷

Conclusion

Contracts for sale of residential property create significant legal rights and obligations between the parties. Where a party to the contract suffers loss as a result of the actions of an agent participating in the exchange process, that party may well seek compensation from the agent.

For their own protection, agents should thoroughly familiarise themselves with the actions they may and may not take when involved in the exchange process and, where any doubt arises, should promptly seek clarification.

Pauline Curraey is the Principal of ConveyAbility, Licensed Property Conveyancers. Pauline teaches in the Conveyancing Law and Practice Course at Macquarie University and is a co-author of the Estate Agents’ Practice Manual New South Wales, published by Thomson Lawbook Co. ♦

1 Section 64(1) PSBAA

2 Sections 66P-66Y *Conveyancing Act 1919*

3 *Contract for Sale of Land – 2005 Edition*, copyright Law Society of New South Wales and the Real Estate Institute of New South Wales

4 PSBAR, Reg 19

5 PSBAR Reg 18(1)(f)

6 An agreement for sale of land is unenforceable unless it is in writing - Section 54A *Conveyancing Act 1919*

7 See *Lang & Morgan’s NSW Estate Agency Law and Practice*, Pamela Morgan 6th Edition, Thompson Lawbook Co 2008, Para 13.120

Women in Real Estate Conference

real women real inspiration real success

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MORE THAN 150 WOMEN CAME TOGETHER FOR THE THIRD ANNUAL REINSW WOMEN IN REAL ESTATE CONFERENCE IN SYDNEY ON 28 OCTOBER 2009.

Attendees discovered that there are no limits to what you can achieve, especially when you're equipped with the right strategies and the right attitude.

Speaker, coach and author Kirsty Spraggon explained how attendees could harness simple yet powerful strategies in order to develop relationships to grow their business at warp speed, and industry identity Sadhana Smiles discussed how women could have it all – success in business and in their personal life. Annette Ferrari armed attendees with the skills to turn work-life conflict into true work-life balance. And everyone is sure to remember Elena Reed's

engaging session, where they were held spellbound by style and image tips and insights.

First-time Women in Real Estate attendee Kate Jennings, from Peter Davies Real Estate, loved the day.

"It was better than AREC! I really enjoyed it," she said.

Real inspiration was clearly the order of the day.

Don't miss next year's REINSW Women in Real Estate Conference, which will be held on Wednesday, 27 October 2010. Mark your diary today.

REINSW would like to thank our friends at RedBalloon, Roses Only, Sydney Seaplanes and Westpac for providing a range of fabulous lucky door prizes.



RELATIONSHIP BUILDING EXPERT KIRSTY SPRAGGON CHALLENGED ATTENDEES TO RETHINK THE WAY THEY PERCEIVE CLIENT RELATIONSHIPS



Novice auctioneers raise money for charity

UP-AND-COMING AUCTIONEERS HAVE BEEN PUTTING THEIR SKILLS TO THE TEST AT THREE RECENT REINSW DIVISIONAL NOVICE AUCTIONEERS COMPETITIONS, RAISING MUCH NEEDED FUNDS FOR LOCAL CHARITIES.

Parramatta & Hills/North West Divisions

The audience was small, but enthusiastic, at the Parramatta & Hills/North West Divisions competition on 16 October 2009. Meredith O'Reilly, from Keith Soames Real Estate, was the winner, putting in a performance that distinguished her from a group of seven competitors.

Almost \$1,200 was raised for the St Vincent de Paul Society on the night.

Riverina Division

Five competitors put their skills to the test in front of a crowd of more than 40 people at the Riverina Divisional competition on 21 October 2009. After a tightly fought contest, Cassie Sheahan, from Ray White Wagga Wagga, took out the title.

The evening was a great success, raising almost \$1,800 for Country Hope – a support organisation for children diagnosed with cancer and other life threatening illnesses.



THE ORANA DIVISION NOVICE AUCTIONEERS

LEFT TO RIGHT: WINNER MATTHEW HANSEN OF RAY WHITE DUBBO, JAMES PRATT AND TIM MCLACHLAN OF RAINE & HORNE DUBBO AND SONYA HOGAN OF ELDERS MCKEOWEN REAL ESTATE



DAVID GRAY WORKS HIS AUCTION MAGIC TO RAISE \$1,360 FOR VINNIES



CHARLES TARBEY, WITH MC LISA SURIAN, DRAWS THE LUCKY DOOR PRIZE



Inaugural Young Agents Conference

inform **inspire** ignite

Young agents from across NSW met in Sydney on 11 November 2009 for the inaugural REINSW Young Agents Conference. Seizing the chance to learn from some of the best, they heard from key industry identities.

Charles Tarbey – Chairman, Century 21 Australia – shared his own unique business adventure and provided valuable insights about how to make it in the competitive real estate industry. And Ivan Bresic – Director, BresicWhitney Estate Agents – revealed his tips for transforming your dreams into career success.

Attendees also received practical advice and helpful tips about how to fine tune their web image and maximise their web presence in order to secure vendors, and learned about the importance of continually investing in their own

development in order to achieve real estate success over the course of their career.

With the Conference over, it was time for everyone to let their hair down and celebrate a successful year at the Young Agents end-of-year party. Well-known auctioneer David Gray put five lots under the hammer at the party – including a coffee machine and NRL tickets – raising a total of \$1,360 for Vinnies.

The consensus was that the day was an overwhelming success and certainly lived up to its promise to inform, inspire and ignite young agents.

Save the date! The 2010 REINSW Young Agents Conference will be held on Wednesday, 1 December 2010. If you would like to join the REINSW Young Agents Chapter, email membership@reinsw.com.au

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Orana Division

The Orana Division continued its longstanding tradition of fostering community spirit and supporting local talent with this year's Divisional Novice Auctioneers Competition and Golf Day on 6 November 2009.

After a day on the greens, more than 150 people attended a black tie dinner. Four entrants took to the podium to demonstrate their auctioneering skills, with Matthew Hansen from Ray White Real Estate emerging as the winner.

Later, over 50 additional prizes were put under hammer by some

of the senior auctioneers in the room. By the end of the event, in excess of \$11,000 was raised for two local charities, Northcott Disability Services and Can Assist – a tremendous result.

Read about the 2009 REINSW Novice Auctioneers Competition State Final on page 19.

REINSW would like to thank all Divisions that took part in the 2009 competition. Are you an aspiring auctioneer? Keep an eye out for the 2010 competition. Divisional events will kick off mid-2010. For more information, call (02) 9264 2343 or email divisions@reinsw.com.au

Sustainability, reputation and growth: 10 questions you'll want to ask



BY MICHELE PHILLIPS

REGARDLESS OF WHETHER YOU ARE A SKEPTIC OR A BELIEVER, AT A PROFESSIONAL LEVEL YOU WILL WANT TO KNOW MORE ABOUT ENVIRONMENTAL SUSTAINABILITY. SUSTAINABILITY IS IMPORTANT BECAUSE IT WILL INCREASINGLY AFFECT HOW PROPERTIES ARE VALUED AND HOW QUICKLY THE SALE CAN BE ACHIEVED. MORE SUSTAINABLE PROPERTIES ARE EXPECTED TO SELL FOR MORE – OR CONVERSELY, TRADITIONAL HOMES WILL LOSE OUT IN RELATIVE VALUE GROWTH. THIS MEANS THERE ARE THINGS AGENTS CAN DO TO COMPETITIVELY POSITION THEIR SERVICES.

Regulation and costs favour the growth of sustainable houses. In 2009/10, NSW water prices are increasing by up to 17 per cent, while electricity increases will be up to 20 per cent. These costs will continue to escalate and homeowners dissatisfied with paying, for example, \$1,000 a quarter for their utilities will start to differentiate the value in owning a home that has features such as rainwater, cross ventilation and good solar orientation.

There are further moves afoot. Under BASIX, all new and renovated homes must have mandatory sustainability features, creating a distinct improvement in thermal comfort, energy and water use compared to older homes. COAG (the Coalition of Australian Governments) has agreed to look at mandatory disclosure of residential energy, greenhouse and water performance at the time of sale or lease, and to move to 6-star energy ratings for all new homes.

Angus Raine, CEO of Raine & Horne, points out the experience in this area in the UK where all sales have to include a rating and graphs

on current (and potential) energy use and carbon emissions. He believes that it is only a matter of time before vendors in Australia will be forced to pay for and divulge this.

This creates some interesting questions you might want to ask in your business.

1. Why should my agency show an interest in environmental sustainability? Why now? Why not wait?

Reputation counts.

Reputation and rapport have always been a key ingredient to getting sales in this industry. When it comes to sustainability, these qualities are even more critical.

Sustainable House Day is a national event across Australia. Homeowners go out of their way to promote businesses with a sustainable orientation to the general public that visit their home – from share car companies to cup manufacturers. These home owners are extremely loyal, almost evangelical, about supporting others who share their values. This kind of loyalty is hard to imagine for most of us in traditional markets.

So when it comes to selling their sustainable house, the one that has been a long-held passion achieved over many years, who are they going to partner with? They will choose the agent that has a solid track record and shares their values.

2. Do sustainable houses achieve higher valuations than traditional houses?

This depends on whether you believe in average statistics,

or finding the right buyer for the right property.

The average statistics are mixed:

- Chris Pope, Senior Development Manager at Australand, observes that in new developments, customers are starting to expect sustainable features, but may not necessarily be prepared to pay for them. He expects the industry will increasingly see that premium as customer demand grows and as developers pass on the cost of sustainability.
- In Canberra, homes advertised for sale must include their energy ratings and a study found that for every half-star improvement in energy efficiency, there was a premium paid.
- Isolating out the effects of sustainability on a property's value has naturally been difficult, given many factors such as age, location and size affect price, but a study at Deakin University is currently trying to measure this.

Value, however, is maximised at the individual property level by marketing a property to the right buyer and not to the whole population. A studio has low value on average, but great value to a single, inner-city dweller. A house next to a noisy school has low value for the average person, but high value to a family.

Beth Ferguson, from McGrath Lane Cove, says that the demand for sustainable houses is becoming increasingly popular.

"We do get asked a lot for such properties. We'd have no trouble selling these homes. Everybody [who is informed] would like a sustainable house," she said.



3. We're very busy. Can we deal with environmental sustainability when everyone starts asking for it? Or when regulations are passed?

Sure. You can be 'old school'. But this won't give your business the opportunity for competitive advantage.

Market leadership comes from leading the pack. Changes in the external marketplace give you the opportunity to develop some clever ideas that continuously put your business ahead.

4. What are others in the industry doing?

Examples of what others are doing include:

- Sanders Property Agents in Jannali has an environmental plan that includes recycling all printer cartridges, paper waste and sale signs, and emailing everything as a first preference, including contracts.
- Colliers employs a Head of Sustainability and sells sustainability consulting services related to property transactions.
- McGrath Estate Agents has audited its emissions and started to incorporate sustainable



business practices, such as recycling, into all of its operations.

“Environmental sustainability will have a significant impact on the real estate industry,” said John McGrath, Chief Executive of McGrath Estate Agents.

“Clients are starting to really look to work with green companies that are taking responsibility for the environment. By getting involved we can help transform homes while also educating home owners and tenants.”

5. What should we do to show we are a sustainably-minded business?

Do something. Even a small thing to start off with. It’s not that hard.

You could:

- Decide to save on your energy, water or paper use in the office. It will also save you money.
- Have an environmental policy. Display it. No one expects you to be perfectly sustainable overnight. But they do give credit to businesses that have a vision, areas they would like to focus on, and some positive actions along the way.

- Start a dialogue and build your reputation with sustainable home owners.
- Train your staff. If you don’t understand ratings and appreciate sustainability issues, why would you be great at marketing a home to buyers interested in sustainability?
- Don’t forget to think of revenue and transaction opportunities, as Colliers has.

6. We’re very busy. Will this be a distraction and cost us money and time?

Sustainability does not have to be a burden.

- You can start with small steps. For example, reducing just your paper use will actually save you a bit of money – think paper, printer cartridges, storage, and energy.
- You may want to start with identifying one passionate agent in your office to be the expert and most informed on sustainability.

Good business practices are an investment. A small investment now in increasing the understanding your staff have around sustainability is a valuable

investment in your reputation and competitiveness.

7. How should we start a dialogue with sustainable home owners?

- Identify them. This could be as simple as looking up and spotting the houses that have solar panels as you drive around your suburb, by advertising on a green website, joining a green networking group, or any of a number of other means.
- Tell them what you are doing in your own organisation.
- Show them what you can do differently in the transaction process. For example, you may be good at translating sustainability features into benefits, have additional services you can offer, or have a good network of people interested in sustainability.

“Real estate salespeople should make a point of discussing environmental matters with vendors and include any features with potential purchasers,” said Alan Lambert, Managing Director of LJ Hooker.

“With an increasingly environmentally-conscious public, those agents that take the time to

understand these unique features can only but impress would-be purchasers.”

8. I don’t want to niche our business as “green”. How can I have a foot in both camps?

You can differentiate your marketing. Supplement your mainstream marketing with initiatives aimed at a more sustainably-minded target. For example, advertising in a green magazine or to a household that already has solar panels, means you will be talking to people that are already qualified as being interested in sustainable services.

9. We’re thinking of becoming carbon neutral. Is this a good idea?

It’s always beneficial to reduce your organisation’s impact on the environment.

‘Carbon neutral’ can be achieved largely by buying offsets (and some very cheap quality offsets). More informed consumers know this and would value it if your agency’s focus was on genuinely changing with continuous improvements and a defined strategy.

10. If we do all of this, what benefits will we get?

- Credibility – so you get more sales listings for sustainable houses.
- Competitive advantage.
- Income – valuations of sustainable houses are trending up.

Michele Phillips is a Director of 3 Profits, a sustainability consultancy that helps organisations link business goals with environmental and social sustainability. For more information call (02) 9812 2140 or visit www.3profits.com.au ♦



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Pool fencing and safety – what you need to know



BY RACHEL AQUILINA

THERE HAS BEEN A LOT OF TALK IN THE PRESS RECENTLY ABOUT POTENTIAL CHANGES TO POOL FENCING LAWS IN NSW. THIS HAS BEEN LARGELY DRIVEN BY THE CONTINUING INCREASE IN DROWNING STATISTICS, ESPECIALLY IN RELATION TO TODDLERS AROUND BACKYARD POOLS.

Despite a lot of discussion around the potential introduction of annual certification of rental properties and certification when homes are sold, this isn't likely to become law anytime soon. To date, NSW has been the most conservative in their approach to changing fencing laws.

After a period of public consultation the proposed amendment Bill was introduced into the NSW Parliament in late November. The object of the Bill is to amend the *Swimming Pools Act 1992* as follows:

- to increase the maximum penalty for offences under that Act;
- to remove automatic exemptions under that Act in respect of child-resistant barriers for swimming pools constructed or installed after 1 July 2010 on very small, large or waterfront properties;
- to permit the regulations to prescribe the circumstances in which an opening in a wall (that is part of a child-resistant barrier) is taken to enable access to be gained to a swimming pool at any time;

- to require a local authority to give notice before giving a direction under that Act and to enable a local authority to carry out the requirements of such a direction if there is a failure to comply or a significant risk to public safety;
- to require local authorities to investigate certain complaints; and
- to make a number of minor and statute law revision amendments.

What this really means is:

- All new pools built from 1 July 2010 will need to have a four sided pool fence.
- Current exceptions for small properties, large properties and waterfront properties will not apply. However these changes are not retrospective.
- Fines for non-compliance will increase, however:
 - councils will have to give 14-day notification for rectification before fines are applied; and
 - councils will also have the power to go into a back yard and make rectifications if required.

While these changes will affect landlords, buyers and sellers, they are not nearly as wide ranging as in Queensland – or even as wide-ranging as those which were originally discussed.

But beware! Some of the peak bodies working with the NSW Government are continuing to push



for more change. Making these laws retrospective is one of the big issues, so keep an eye out for ongoing changes.

New homes – an increased risk of tragedy

The main driving force behind the changes to pool fencing and safety is of course to try and reduce the number of drowning and near-drowning incidents. The drowning report for 2009 shows a disappointing increase in the number of toddler deaths and continues to highlight swimming pools as the number one cause of drowning deaths.

Real estate agents have a part to play in pool safety.

Moving into a new home with a pool creates an increased risk for children and water safety, so it is important that we each play our part in prevention.

When a family moves into a new home with a pool, the risk of drowning or near drowning is higher than at other times for two main reasons:

1. The surroundings are unfamiliar, so if there is a weakness in the fence, a gate that doesn't always shut automatically or a foothold available allowing excited and inquisitive toddlers to access the pool area, parents are unaware of the additional risk.

2. Coupled with the excitement of trying out the new back yard, adults are often distracted by everything else that has to be done to settle into a new home. Therefore supervision – the number one must for children around water – can be compromised.

Please encourage all households – new owners, tenants and landlords – to take part in the Royal Life Saving Home Pool Safety Check. Go to www.homepoolsafety.com.au

You can also ensure that every family you introduce to a new home with a pool is familiar with the risks. Use the Royal Life Saving checklists to educate them and place them in your welcome packs. You can download the checklists at www.royallifesaving.com.au

In addition, you can ensure that your pool professional has pool signage up to date and is keeping you informed, not just with the state of the water but also the safety of the pool area. Regular checks are a must.

Keep safe this summer and enjoy the pool safely!

Rachel Aquilina is Master Franchisee for PoolWerx – the world's largest pool and spa care network, ordering all pool products, maintenance and repairs, and expert regular servicing. Go to www.poolwerx.com.au ♦

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The Member Helpline offers advice on:

- everyday real estate practice, such as agency agreements, tenancy issues, property management;
- industry ethics and best practice guidelines; and
- which products and services your real estate business needs and where to obtain them.

Members can access the Member Helpline by calling (02) 9264 2343 or by emailing helpline@reinsw.com.au

And to put a face to the voices, here are two of our helpline experts.



David Small

David has recently notched up his 23rd year in real estate and currently assists in operating the REINSW Member Helpline.

David is a licensed real estate agent and has worked in both sales and property management, including being the Licensee-in-charge of a Balmain agency. Over the years, David has managed property Sydney-wide and has negotiated the sale of hundreds of properties.

David prides himself on providing callers to the Helpline with friendly, accurate and practical advice that assists members in being able to resolve their issues.

David is also a regular contributor to the *Journal* and assists other areas of the REINSW to ensure members receive the optimum benefits from their membership.



Ann Banister

Ann has been answering calls on the Member Helpline for more than three years, and enjoys the interaction with members and assisting them with their queries – which on some days can be quite challenging due to the variety of subjects that are raised.

Ann has been a licensed real estate agent for approximately 18 years and continues to increase her knowledge by attending regular training sessions and forums conducted by REINSW to stay up-to-date with the ever changing requirements of the legislation. She also finds these sessions and forums an excellent opportunity to network with agents.

Before joining REINSW, Ann worked for a number of years on the North Shore for several different agencies where she gained experience in all the different aspects of running a real estate agency. ♦

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RESIDENTIAL SALES

Securing repeat business: what do vendors look for?



BY COSTA CHARALAMBOUS

REPEAT BUSINESS CAN SAVE YOU A GREAT DEAL OF TIME, ENERGY AND MONEY. AS THEY SAY, IT IS FIVE TIMES HARDER TO FIND NEW CUSTOMERS THAN TO SELL TO YOUR EXISTING CUSTOMERS.

When it comes to creating long-term clients, first impressions last. So it's vital to give 110 per cent in customer service when working with vendors. This begins before the first meeting.

Here are some ideas about how to impress your vendor on your first project with them.

Preparation

Preparation is essential. By developing a procedure for meeting vendors and locking in a sale, your vendors will learn what to expect from you. It's important that you develop a system within your office that your team all follow. A part of providing good customer service is providing consistency.

The first call

One of the key ingredients to providing great service is knowledge – and sharing that knowledge with your clients. Ensure that an experienced agent or principal is available to speak to vendors and answer any questions.

A good way to persuade vendors to use your services is by sending them your profile within a type of credentials document. This should include relevant information such as your recent sales, length of time in the business, awards and how you can meet their specific requirements.

Make a face-to-face appointment with the vendor for the next day so that you can provide a detailed explanation of what you can do for them. This will show the vendor that you are enthusiastic about doing business with them.

The first meeting

There are four main things that vendors look for in an agent:

- 1. Trust.** Vendors appreciate honesty, so be up front about the pros and cons of the property. Tell them what you plan to do to overcome the negatives and what you can achieve for them.
- 2. Professionalism.** Dress professionally, be polite and remain objective. Show clients that you have their best interests at heart and that you will work hard for them. This will help sow the seeds for repeat business.
- 3. Experience.** Send the vendor your portfolio with details about your training experience, your sales record and testimonials.
- 4. Your marketing strategy.** Tell the vendor what you can offer them that other agents cannot. Consider your property search techniques, knowledge about vendor competition, how you sell properties, and where and how often you advertise. Can you implement an effective marketing campaign for \$5K when other agents are achieving the same results for \$15K?

You only have a small window of opportunity to make a good impression on your vendors. So on the first meeting listen, ask lots

of questions and provide plenty of information. The vendor will be impressed with your in-depth knowledge and thoroughness. Show the vendor that you understand their requirements – and allow them to make decisions on their own, rather than force a decision on them. Make sure the vendor feels comfortable throughout the whole process.

After the sale

How often do you thank your customers? Do you give them thank-you gifts for their business? This tactic is used by the most successful businesses and really works for securing repeat business. If possible, give a lasting gift that will remind the vendor of you in the future, such as a decorative item or plant for the house.

Between the sale and settlement, keep in contact to see if the vendor needs anything else. You could offer valuable resources and help. For instance, if they need an inspection of their new property you could offer contacts, or better yet, organise it for them.

Stay connected

As time passes vendors can easily lose touch and forget about your hard work. Keep in contact with your vendor every few months once the settlement is complete. A great way to pass on your details is by sending a postcard or letter that includes a photo of the vendor at their new property. After this, you can also keep in contact by sending regular newsletters about your sales, some information about the market, and a personal note

VENDORS APPRECIATE HONESTY, SO BE UP FRONT ABOUT THE PROS AND CONS ABOUT THE PROPERTY. TELL THEM WHAT YOU PLAN TO DO TO OVERCOME THE NEGATIVES AND WHAT YOU CAN ACHIEVE FOR THEM.

to say 'hi'. It is this kind of genuine concern that results in long-term relationships and valuable referrals.

Remain proactive

While you wait for your vendors to contact you with more business, remain proactive. There are a couple of other ways you can generate business:

- Sponsorships of local kids' sports clubs or schools are a great way to make your brand known to the community.
- A cross-referral system also works very well – particularly with accountants and solicitors. And remember to return the favour by referring business to them too.

Commission

One word about commission: this should be the last thing that a vendor enquires about if you've convinced them that you are the right agent for the job. The good news is that if they become a repeat client – when they know you will get results for them – commission will no longer be an issue.

By following through on these points, real estate agents can look forward to generating repeat business and getting new and enthusiastic vendors through referral.

Costa Charalambous is Principal of Laing+Simmons Coogee/Clovelly, Sydney. Costa has more than 12 years experience in real estate and property valuations, and has won multiple industry awards. For information about Laing+Simmons Coogee/Clovelly, visit www.lsc.com.au ♦

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WE ALL WORK HARD AT OUR CAREERS AND IF WE ARE LUCKY, WE REALLY ENJOY THE WORK THAT WE DO.

Would you voluntarily take a pay cut?

By not paying attention to your superannuation this is what you may be doing.

At least 9% of your earnings are being paid into superannuation by your employer. But one in three people don't know where their superannuation is invested, let alone if this location is the 'best' option for them. Superannuation savings will be critical in determining how soon you can stop working and what your lifestyle will be like when you do. And while the amount that you save is important, so is where you invest those savings.

Would you put 9% of your wages into a bank account that you knew nothing about?

Granted, superannuation is money that you can't touch for some time. However it is still your money and you will eventually have the opportunity to spend it however you wish. So it makes sense to:

- Find a super fund that suits you and stick to it, taking it from employer to employer. There is rarely a reason to accumulate multiple accounts, other than it seems like less trouble at the time.
- Regularly compare your super fund to others in the market to make sure it stacks up, at a minimum compare:
 - Investment return

SUPERANNUATION SAVINGS WILL BE CRITICAL IN DETERMINING HOW SOON YOU CAN STOP WORKING AND WHAT YOUR LIFESTYLE WILL BE LIKE WHEN YOU DO.

- Investment options on offer
- Insurances on offer
- Fees

- Make sure that your money is invested appropriately for you. How much you have invested in growth and defensive assets is the number one contributor to how your money performs.

Where to go for help?

There are a number of services out there to assist you – ranging from full financial planning advice,

to online tools and calculators. The key is to reach out for information as you need it; to ensure you understand this aspect of your money well enough to take control.

Why not start with your industry super fund? Contact bdm@reisuper.com.au for more information on how REI Super might be able to help you. ♦

Disclaimer

The information does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super warns that we have not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Members and employers should obtain a copy of the appropriate Product Disclosure Statement and read the terms and conditions before making any decisions. Rei Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 Rei Super ABN 76 641 658 449 RSE R1000412

RISE AND SHINE



start your day with the REINSW BREAKFAST CLUB

Inspirational and always topical, the Breakfast Club series will motivate you to rise to the challenges posed by everyday real estate practice and shine amongst your peers.

4 events. 2 hours each. 12 CPD points.

Wednesday, 10 February 2010

Residential Tenancies Reform

The NSW Government is proposing a raft of changes to the *Residential Tenancies Act*. The changes are aimed at updating and streamlining existing tenancy law. Some new measures are also proposed.

What will the changes mean for you?

Hear from industry experts **Tim Anderson** and **David Pentecost**, who will explain what the changes mean on a practical level and how agency compliance will be impacted.

Venue: Rydges World Square, 389 Pitt Street, Sydney

Time: Registration from 7.00am
Event 7.30am – 9.30am

CPD: 3 points

Mark your diaries

Don't miss the rest of the Breakfast Club series – put these dates in your diaries today and satisfy your CPD requirements for the year.

- Wednesday, 12 May 2010
- Wednesday, 11 August 2010
- Wednesday, 10 November 2010

Details about topics and speakers will be announced soon.

Book for all four Breakfast Club events and receive a discount!

One Breakfast Club event:

REINSW members \$65 / Non-members \$90

Four Breakfast Club events:

REINSW members \$208 / Non-members \$288

Register online today at www.reinsw.com.au

WISE INVESTMENT:

A career in property investing



BY CHRIS GRAY

WHILE BUYING A BARGAIN IS GREAT, IT'S ULTIMATELY THE BETTER PROPERTY IN THE BETTER LOCATION THAT WILL MAKE YOU MORE MONEY.

IF YOU'RE AIMING TO WORK IN A JOB THAT YOU LOVE, RATHER THAN WORKING JUST TO PAY THE BILLS, THEN PROPERTY INVESTING COULD BE THE CAREER FOR YOU. PROPERTY INVESTING CAN BE A CAREER IN ITSELF, ALLOWING YOU TO FOCUS LESS ON YOUR JOB FOR INCOME WHILE SETTING UP A LONG-TERM WEALTH STRATEGY.

There are generally three career paths by which you can achieve real wealth today: business, shares or property. Many people start their own business to escape from a job, but often end up working twice as hard – and you generally only benefit when you sell the business. Share trading has a good upside, but can often be labour intensive and brings with it the danger of margin calls, which have brought down many a millionaire.

On the other hand, property is a career that is easy to understand, fully supported by the government and banking system, and is stable (property owners don't panic as shareholders might). The real benefit to investing in property though is that it leverages your time and your money.

How can you launch a highly profitable career in property? It is really quite simple. I believe every investor should keep the following guidelines in mind.

Buy well

If you buy well in the first place, you'll own an asset that should appreciate forever. You can then use the equity you've built to purchase your next property – without paying for it from your wages.

To buy well take into consideration things that will value the property, such as proximity to work, public transport and leisure facilities. You'll need to put in the research – I look at 100+ properties before buying in a new area. While buying a bargain is great, it's ultimately the better property in the better location that will make you more money.

Invest for the long term

Investing for the long term by holding onto your properties is a strategy that works for me. I invest for growth rather than rent return, as it's not taxed until



you sell. As long as you can cash flow the property in the short term, you can counteract the down times, as most properties bounce back.

Build a large portfolio

The ultimate key is, if you have twice the assets you should make twice the money – so building a large portfolio steadily (with cash for emergencies) is the way to go, as opposed to having to pay off all your debts.

Refinance your property

It's cash flowing the difference between the rent and the mortgage that most people struggle with. The key is to use the capital gain to finance that difference. Draw on your capital gain by refinancing your property (rather than selling). By doing this, you forego expensive transaction costs and capital gains tax, while keeping an appreciating asset.

Top tips to maximise your property career

- Do your figures first (with an accountant that understands property)

- Don't fear the gear – debt is good if you buy appreciating assets
- Choose high capital growth areas
- Try and pick a bargain, but make sure it's a good grower too
- Add value by renovating
- Use your equity to help cash flow your properties in the short term
- Look at 100+ properties before you buy – or get someone to do it for you
- Reduce your risk by investing in yourself and in a good team of advisers.

Chris Gray is a leading property expert and the host of Your Money Your Call on Sky Business News on Friday nights. As the CEO of Empire, Chris builds property portfolios for time-poor professionals – searching, negotiating and renovating on their behalf. For a FREE copy of his latest book The Effortless Empire: The Time-Poor Professional's Guide to Building Wealth from Property, visit www.yourempire.com.au

Demystifying insurance jargon

REAL ESTATE INSUREES WILL REGULARLY HEAR OF TWO TYPES OF INSURANCE: PROFESSIONAL INDEMNITY AND PUBLIC LIABILITY. THEY ARE OFTEN ABBREVIATED TO PI AND PL, JUST TO MAKE THEM THAT MUCH HARDER TO UNDERSTAND!

They are actually quite different types of protection, and in this article we demystify these two important types of insurance.

Public liability

Public liability insurance protects your agency against claims around an incident that causes property damage or bodily injury for which your agency can be held legally liable.

One of the key triggers is your agency's degree of physical control over the property, including its ownership, occupation or control of the property. What's most

important to remember is most public liability policies exclude claims arising from a breach of professional duty.

Professional indemnity

Professional indemnity cover is designed to protect you and your agency against claims made by third parties for negligent acts, errors or omissions arising out of your business practice which causes loss or damage. The key trigger is the breach of some professional duty, which does not depend on its ownership, occupation or control of property.

And these "third parties" can range from the sellers, buyers, landlords, tenants and visitors to rental properties and clients attending your office.

Which type of insurance?

To work out if it is public liability or

professional indemnity, you need to consider:

- Is the allegation that you have breached your professional duty as an agent? If so then it is likely to be professional indemnity.
- Is the allegation simply that you have breached your duty as an occupier of the common property? If so then it is likely to be public liability.

It's important to recognise that insurance is not black and white or clear cut, and therefore it may be difficult to determine which policy will provide cover. You need to ensure that you have adequate protection for both types of insurance.

Don't forget about contractors

Ensure that all contractors that carry out maintenance on properties in your rental pool carry

current public liability insurance. We strongly recommended that you ensure that all contractors are appointed in writing and that you confirm that the contractor holds personal accident insurance or workers' compensation insurance. It is also desirable that the agent seeks confirmation that the contractor is complying with the relevant States' Work Place Health and Safety legislation. If the contractor's work injures someone then both you and the contractor may well be liable. ♦

Disclaimer

The information in this article is of a general nature only and individuals should consider their own circumstances before proceeding in reliance on such information. Whilst care has been taken in preparing this article, and the information contained in it has been obtained from sources that the Aon Group of Companies (Aon) believe to be reliable, Aon does not warrant, represent or guarantee the accuracy, completeness or fitness for purpose of that information. Aon accordingly accepts no liability for any loss resulting from the use of the information in this article.

DOES YOUR OFFICE INSURANCE COVER EVERYTHING YOU NEED?

Most real estate agencies have office insurance to protect items including computer equipment, furniture and any other valuables kept in the office.

Aon's policy has two additional benefits that covers:

- **Increased cost of working.**
Covers additional costs to run your business when the damage to your office requires you to relocate temporarily. Includes rent, utility charges, advertisements in the local paper:
- **Restoration or reproduction of data.**
Provides for the cost of replacing, restoring or reproducing important documents and records and allow for you quickly get back to business after a loss.

Our products are backed by an experienced service team, located in over 30 offices Australia wide.

For insurance that protects you, a broker who will stand by you and over 30 years of technical experience

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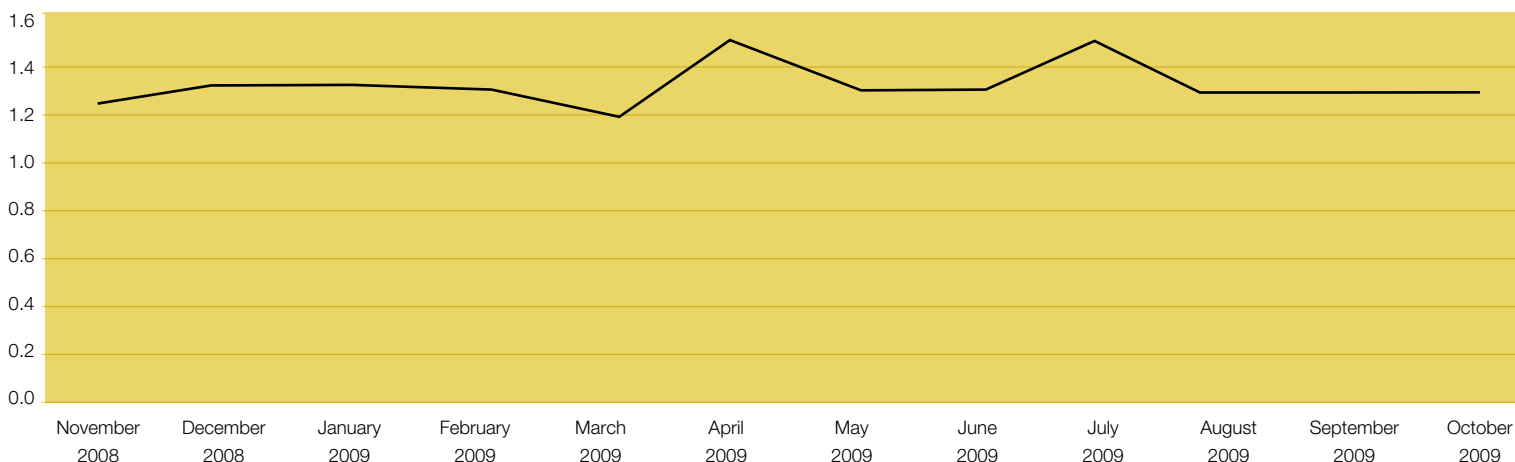
Research

Check out the latest rate for your area. You can use it in your newsletters, information packs and discussions with potential investors!

Residential vacancy rate – Compiled by Inshgtrix on behalf of REINSW

SYDNEY	Oct-09	Sep-09	Aug-09	Jul-09		Oct-09	Sep-09	Aug-09	Jul-09
Inner	1.3	1.4	1.5	1.8	ALBURY	1.8	1.5	2.3	2.6
Middle	1.5	1.4	1.3	1.5	CENTRAL WEST	1.8	2.0	2.1	2.5
Outer	1.0	1.0	0.9	1.1	COFFS HARBOUR	2.7	1.9	4.1	4.6
Total	1.3	1.3	1.3	1.5	FAR WEST	0.4	0.6	-	-
HUNTER					MID-NORTH COAST	1.5	2.3	2.2	1.6
Newcastle	1.6	1.6	1.8	1.4	MURRUMBIDGEE	2.9	3.6	-	-
Other	1.5	1.4	1.4	2.3	NEW ENGLAND	2.9	2.0	1.7	2.4
Total	1.6	1.5	1.6	1.9	NORTHERN RIVERS	2.4	2.3	1.9	1.9
ILLAWARRA					ORANA	1.1	1.2	1.4	1.2
Wollongong	1.8	1.6	1.3	1.9	RIVERINA	4.1	1.5	1.3	1.6
Other	1.7	1.8	1.3	1.8	SOUTH COAST	2.1	2.9	2.2	3.5
Total	1.8	1.7	1.3	1.9	SOUTH EASTERN	5.3	0.8	1.7	1.6
CENTRAL COAST									
	1.5	1.6	1.6	2.1					

Sydney vacancy rate



Source: REINSW Vacancy Rate Survey

Did you realise that your rent roll information is used by the Reserve Bank of Australia when making its interest rate decisions? REINSW Vacancy Rates are a significant source of property information for economists, so make sure you contribute by sending us your vacancy rate figures each month.

Sydney weekly auction clearance rates – provided by Australian Property Monitors

Week Ending	Inner Sydney		Inner West		Lower North		Inner East		Sydney	
	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate
1/11/2009	98	81.2%	31	87.1%	78	74.1%	94	73.1%	407	69.9%
25/10/2009	69	69.1%	27	82.8%	55	63.5%	66	72.2%	385	72.3%
18/10/2009	74	80.7%	21	76.2%	47	75.0%	35	73.7%	422	66.5%
11/10/2009	69	74.3%	24	72.0%	57	76.2%	63	74.6%	546	72.8%
4/10/2009	40	86.4%	13	85.7%	36	73.2%	60	87.9%	456	78.0%
27/9/2009	106	81.3%	73	83.1%	77	72.4%	103	69.9%	370	76.2%
20/9/2009	76	81.3%	36	83.8%	50	84.9%	84	69.8%	477	76.7%
13/9/2009	55	79.3%	43	86.4%	67	82.7%	49	78.8%	417	71.9%
6/9/2009	75	76.8%	25	88.0%	47	76.0%	50	74.5%	410	71.4%
30/8/2009	73	87.2%	28	86.2%	38	87.2%	86	93.1%	505	73.0%
30/8/2009	67	86.1%	24	88.0%	27	92.6%	56	91.2%	370	76.2%
23/8/2009	89	85.9%	31	93.8%	76	83.8%	63	85.3%	734	67.1%

*snr = sample not reliable

Rewarding commitment

EACH YEAR, REINSW HONOURS THE OUTSTANDING CONTRIBUTIONS MADE BY ITS MEMBERS. WITH THE ONGOING COMMITMENT OF OUR MEMBERS – AT CHAPTER AND DIVISIONAL LEVEL, ORGANISING EVENTS, CONTRIBUTING TO THE JOURNAL AND MUCH MORE – REINSW WILL CONTINUE TO THRIVE!

Here are the best and brightest for 2009.

Life Fellow – Rowen Kelly

A long-standing member of REINSW, Past President, and Chapter and Divisional representative, Rowen Kelly was the deserving recipient of Life Fellow status at this year's State Conference.

Rowen's passion for his profession is obvious to all, and he is respected by members, industry stakeholders and at a political level for his deep knowledge and understanding of the real estate industry.

"It's given me a lot of pleasure to be involved and to contribute over the years," Rowen said. "I've enjoyed the involvement, helping other agents and making a positive contribution to elevating the profession."

"Being here today and hearing about REINSW's future plans makes me proud to be a member."

Certificate of Merit (for outstanding contribution to REINSW)
Peter Hurford

Russell Jackson Award (for best metropolitan Division)
St George & Sutherland Shire Division

Max Sewell Award (for best non-metropolitan Division)
Orana Division

Brian Bowles Award (for outstanding Divisional Chairperson)
Rod Crowfoot

John Hill Award (for outstanding Chapter Chairperson)
Lyn Kimball

KG Hurst Award (for best editorial contribution to the *Real Estate Journal*)
Justin Butterworth

Theo Wolthers Award (for best student)
Brett Andrews



STEVE MARTIN CONGRATULATES ROWEN KELLY.



STEVE MARTIN AND WAYNE STEWART ACKNOWLEDGE PETER HURFORD'S OUTSTANDING COMMITMENT.

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1 Honour Ave
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11 Kallaroo Road
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PO Box 2362
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3/12 Wharf Street
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MEDIA



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