

# Journal

OCT 2009  
VOL 60/99

## To the limit

**Asian investment**  
How investors are  
influencing the market

**Rising rates**  
Interest rate rises  
and economic activity

**Build it and they  
will come**  
Trends in commercial  
regeneration

**The adrenaline-inducing world  
of major developments**





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TO THE LIMIT TO SUCCESSFULLY  
DELIVER ON MAJOR PROJECTS.

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"I CAN SAVE MONEY  
ON TRAINING, EVENTS,  
FORMS AND INSURANCE  
... and that's why  
I'm a member."

Michelle McLean  
Ray White Sylvania

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# PRESIDENT'S MESSAGE



## REINSW out and about

REINSW CEO Tim McKibbin and I recently made our way around regional NSW to give members an update about what is going on at REINSW.

Details of our financial turnaround over the last few years, as well as current key financials and the shape of the future, were the main topics outlined and discussed.

As I related at these meetings, REINSW's future looks bright. We're committed to investment and development. We've put a responsible and realistic budget in place for 2010, and are ready to implement a number of new initiatives such as rolling out Realcover nationally, establishing a member accreditation scheme, and initiating new and innovative changes to our training service.

## The market is turning: an investment and development themed *Journal*

Fitting to our business focus and future outlook here at REINSW, this edition of the *Journal* is themed 'investment and development'.

Craig James of Commsec, one of Australia's most renowned and well-respected economists, writes about the recent interest rate rise, pointing out that this rise may have little effect on the market at present.

The influence of Asian investment on the market and trends in commercial regeneration are some highlights in this edition of the *Journal*.

The market is turning and it is now time to once again really drive, develop and invest in your future.

Steve Martin  
REINSW President

THE MARKET IS  
TURNING AND IT  
IS NOW TIME TO  
ONCE AGAIN  
REALLY DRIVE,  
DEVELOP AND  
INVEST IN  
YOUR FUTURE.

## REINSW MAJOR PARTNERS

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# AGM

**NOTICE IS HEREBY GIVEN**  
That the Annual General Meeting of the Real Estate Institute of New South Wales Limited for the year ended 30 June 2009 will be held on Friday, 27 November 2009 at the Rydges World Square Sydney Hotel, 389 Pitt Street, Sydney commencing at 10.30am.

**T. P. McKibbin**  
Company Secretary

Real Estate Institute of  
New South Wales Limited  
12 October 2009

## AGENDA

1. Apologies.
2. To receive and adopt the minutes of the Annual General Meeting of 28 November 2008. (See note)
3. Election of Directors.
4. To receive and consider the Report of the President. (See note)
5. To receive and consider the financial reports including the audited balance sheet, profit and loss accounts and other reports and statements required by the Corporations Act including the Auditor's Report for the year ended 30 June 2009. (See note)
6. Appointment of Auditors.
7. General Business

## Note:

The minutes of the Annual General Meeting of 28 November 2008, Report of the President, audited balance sheet, profit and loss accounts along with other reports and statements required by the Corporations Act 2001 (including the Auditors Report) will be available on the member-only section of the Institute's website at [www.reinsw.com.au](http://www.reinsw.com.au) by Friday, 30 October 2009. If you require a hard copy of these documents, please telephone Cynthia Theodore on (02) 8267 0557.

## Proxies

In accordance with the Company's Constitution, a Voting Member may nominate another Voting Member as a proxy. A person may not hold more than five (5) proxies. Proxies will only be valid if received by the Company Secretary no later than 5.00pm, Wednesday, 25 November 2009. Proxy voting forms are available from the Institute. Please telephone Cynthia Theodore on (02) 8267 0557.



## In-house coaching inspires property team

In what is believed to be an industry first, Belle Property Mosman on Sydney's Lower North Shore has recruited a full time in-house Business Coach to provide daily one-on-one personal and professional development coaching to every team member.

Principal Tim Foote decided to recruit 30-year industry veteran Casey Mikhael as part of his long-term strategy to create the Lower North Shore's agency of choice for the industry's finest professionals. Mr Mikhael's role includes assisting team members with their professional goals, such as winning more listings and enhancing profitability, as well as their personal goals, such as achieving a greater work/life balance.

"We believe that the development of people is at the heart of a successful business," Mr Foote said.

"If we want to recruit and retain the best people we need to offer the best conditions and environment in which to thrive. Having a permanent in-house coach, particularly one of Casey's calibre is a major value-add for new and existing staff. It ensures everyone feels valued and motivated to work as part of a successful and cohesive team," he said.

## Sporting spirit

Ray White Singleton is keeping up the real estate industry tradition of giving back to the community.

The decision to sponsor the local cricket club came out of a staff meeting, where the team brainstormed ways they could give back to the community. Supporting a local sporting team was the winning idea.

The agency sponsors the Singleton District Cricket Association's 2nd Grade, as well as the senior and junior divisions of the John Bull Shield Singleton representative teams.

"The cricket season commenced last week and it looks like it will be an exciting one," said Principal Ross Wilkinson.

"We are proud to be associated with such a worthy local institution and to help uphold the good spirit of sport in the community."

## Suburban development gains momentum

Suburban office parks are going from strength to strength as a result of increased infrastructure and expanding population.

According to the Property Council of Australia, the North Ryde area was one of a handful of Australian office markets to post positive demand for office space during the six months to July 2009.

The Norwest Business Park, in North Ryde, is one of the major projects underway in Sydney's suburbs.

Property investment and development company Capital Corporation is leading the charge, with \$200 million in projects either underway or DA-approved at the Norwest site.

CBRE has been appointed as leasing agent for five Capital Corporation projects.



## Tweet your way into business modernism

Dodge the dinosaurs by tweeting - this is the message out in the business marketplace today.

Three-quarters of Australians look to the internet for products and services marketing information, and more than 50 per cent conduct business transactions online.

According to Peter Switzer of *The Australian*, the bottom line is blunt: if you only use the internet for email and contact details, you're a dinosaur. Australians are online, on mobiles, into video and besotted by social networking.

Even the NSW Business Chamber is using Facebook to canvass community reaction on business-related issues - and it has worked big time.

Twitter can help you increase your customer reach, connect your business with thousands of people instantly and build your brand.

The conclusion for most businesses has to be that if you're not online, you're off the planet!

## Winner! - REINSW member survey draw

Congratulations to Con Tastzidis of CST Properties, who won an REINSW \$500 gift voucher for completing the 2009 REINSW Member Survey. Every person who completed the survey was eligible to enter into the draw to win this prize.

Be sure to complete the survey next year - and this could be you!

## realestate.com.au signs deal with REINSW for another year

realestate.com.au has re-signed an agreement with REINSW which will provide tangible benefits to REINSW members.

All REINSW members receive a 10 per cent discount off the published list price for the Platinum and Standard Residential and Commercial subscriptions.

"REINSW is pleased to renew this ongoing and beneficial relationship, which achieves a substantial value-added service to our members," said Tim Mckibbin, CEO of REINSW.

Peter Wright, General Manager Sales and Operations for realestate.com.au indicated re-signing the partnership with REINSW is great news for the real estate sector and is a win-win situation for both organisations.

"The agreement allows REINSW members to access commercial benefits such as subscription discounts, knowledge sharing and access to REA data with an emphasis on learning about the benefits of online marketing in the real estate sector," he said.



## Agents drive away with Mercedes-Benz offer!

REINSW recently announced its Mercedes-Benz offer, exclusive to REINSW members, whereby any member who purchases a new Mercedes-Benz will receive a number of savings and ongoing benefits, such as preferential pricing on new vehicles and options, complimentary scheduled servicing and access to the Corporate Programme vehicle evaluation fleet.

REINSW is proud to announce that two members have taken up this fantastic offer so far.

Congratulations to Lawrence Mak of Tailored Property Sales & Management (who has been an REINSW member since 2005), and to Joseph Tan of Century 21 Joseph Tan Real Estate (a long time member, joining REINSW in 1997) on their purchase.

"I was thinking about purchasing a new vehicle and after seeing this offer, I had no hesitation in moving ahead to take advantage of these great benefits," said Mr Tan.

REINSW hopes that they thoroughly enjoy their brand new Mercedes-Benz vehicles, along with all the extra benefits and cost savings associated with this special offer.

### There is still time to take advantage of further benefits

In addition, as a special welcome to the Mercedes-Benz Corporate Programme, Mercedes-Benz is offering members of REINSW who purchase before 31 October 2009 an introductory upgrade for a very limited time only. This complimentary upgrade is in addition to all of the benefits you will receive as part of the Mercedes-Benz Corporate Programme. These benefits include up to \$5,117 of further benefits on a range of new vehicles.

For more information about this exclusive offer, please contact the REINSW Membership Team on (02) 9264 2343 or email [membership@reinsw.com.au](mailto:membership@reinsw.com.au)



DAN STRACHOTTA, STATE SALES MANAGER OF REA, & TIM MCKIBBIN, REINSW CEO

## Is a new breed driving the housing recovery?

According to BIS Shrapnel, investors and home upgraders are driving the housing recovery.

Christened as 'invaders' by economists, this new breed of property consumer is expected to drive the 2010 housing cycle.

BIS Shrapnel reports that houses more than 30 years old across Sydney are being targeted by upgraders. From the inner city to the outer commuter belt, property that can be renovated is in high demand.

Addbuild Additions Managing Director Chris Books said the renovations market died last year, but inquiries were now at "historical highs".

"There is pent-up demand," he said. "We service wants and needs in this business. In good times it's all about flash decks and pool rooms. At the moment we are in a needs market – people need another couple of bedrooms and a bathroom."

It looks as though this is certainly a friendly and welcome 'invasion'.

# SEEKING TRAINED STAFF?

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# Results of the member survey



BY PETER GRIFFIN

WE HAVE RECENTLY COMPLETED THE THIRD ANNUAL MEMBER SURVEY WHERE WE ASK YOU WHAT YOU THINK ABOUT US AND THE SERVICES WE PROVIDE FOR YOU.

## How did we do overall?

The one question that best encompasses your feedback is the one that asks you to "rate your overall experience with REINSW". Here some 86% of respondents scored us as excellent or good, which is an encouraging response - while still indicating we have a way to go to lift the scores of the other 14%.

To see how we can do that, we need to look at the scores for our individual products and services.

## What are our best services?

The survey asked that each service be scored on a scale from excellent to poor. The top four results in terms of the excellent/good percentage were as follows:

1. *Real Estate Journal* – 90%
2. Paper forms/agreements – 85%
3. Email communications – 84%
4. Free Member Helpline – 83%

The bottom three results using the same excellent/good percentage were:

1. Publication of research – 67%
2. Media coverage – 60%
3. Commercial benefits – 54%

Using these results plus some of the other detail in the survey

responses, the main conclusions that can be drawn are that we are doing well in a number of key areas, but that we do need to continue to improve in other areas.

## Areas for improvement

### 1. Research

Currently REINSW publishes a limited amount of research – being the monthly Vacancy Rates Survey and the quarterly sales data known as *PropertyFocus*. It is clear that members would like to see REINSW doing more of its own research, and also providing analysis and commentary on other key industry data.

In response to this, we are planning to recruit a full-time economist/researcher. This person will be responsible for providing analysis and commentary to members via the publication of research papers, as well as commissioning some more research into issues of interest to the industry. We will also promote this research and seek to influence government policy through media coverage.

Also, we are close to launching a new initiative to assist members with the collection and use of property data. There will be more information on this in the next few months.

Finally, it is worth noting that we have just contracted with market research company Inshtrix to complete the monthly Vacancy Rates Survey on our behalf. This research was previously done in-house, but we felt that the expertise and independence

of a market research company would help to ensure that this continues to be a valued and widely-used piece of research.

### 2. Media coverage

The excellent/good rating has improved from 53% in 2008 to 60% in 2009. Even so, members would like us to do better in gaining coverage of the industry's stance on a range of issues.

We are encouraged to see the year-on-year improvement. The retaining of an external PR and media consultant has certainly helped to lift the profile of your issues in the media. For example, in August 2009 REINSW were mentioned or quoted in the media (newspapers, radio, TV and online) some 59 times, of which 31 featured in the metropolitan media and 28 featured in regional media.

We will continue to place importance on this area, and seek to improve what and how we comment on in order to maximise our representation of your issues.

### 3. Commercial benefits

On your behalf we organise discounts and exclusive rates on a range of products and services. While not a core reason for being a member of REINSW, this is clearly an area that you'd like us to improve on so that you can enjoy some extra financial benefits.

We do already have some good deals on services from companies such as realestate.com.au,

IT IS CLEAR THAT MEMBERS WOULD LIKE TO SEE REINSW DOING MORE OF ITS OWN RESEARCH, AND ALSO PROVIDING ANALYSIS AND COMMENTARY ON OTHER KEY INDUSTRY DATA.

Realcover Insurances, Corporate Express, Rydges Hotels and Mercedes Benz. However we do need to increase the range of benefits, and so are currently working on some other deals which will be finalised soon including telecommunications, healthcare and computers.

### 4. Other initiatives

Some of the respondents asked questions about the simplification of the membership structure, an accreditation scheme, and extending the range of licences that we provide training for. We are working on these and other initiatives, and will be communicating with you about them in the near future.

## Conclusion

In the coming months we will be making progress in a number of the areas highlighted in the survey. We will keep you informed on these developments through the *Journal*, the website and via email.

*Peter Griffin is the REINSW General Manager.* ♦

# Confident RBA begins to hike rates



BY CRAIG JAMES

THE RESERVE BANK OF AUSTRALIA (RBA) HAS BEGUN TO REMOVE 'EMERGENCY' RATE SETTINGS, INCREASING THE CASH RATE FOR THE FIRST TIME IN 19 MONTHS (SINCE MARCH 2008). THE CASH RATE HAS BEEN LIFTED FROM A 49-YEAR LOW OF 3.00 PER CENT TO 3.25 PER CENT.

A confident RBA has flagged further rate hikes saying that it "is now prudent to begin gradually lessening the stimulus provided by monetary policy".

## What does it all mean?

It had to happen sooner or later, but a clearly confident Reserve Bank believes that now is the time to be removing 'emergency' rate settings. The emergency is over, and now a more appropriate level of interest rates needs to be put in place.

How much pain will a 25 basis point hike cause for borrowers? Actually, not a lot.

The Commonwealth Bank estimates that more than 90 per cent of its home loan customers are ahead in their loan repayments. That is, when interest rates were cut, most customers elected to maintain existing repayments. The main burden of the rate hike will hit those that have purchased or built homes relatively recently. And the higher loan repayments will certainly be factored in by budding home buyers in coming months.

It's also important to note that many businesses have already been paying higher interest rates for some time – the Reserve Bank move is merely validating pricing on financing markets. Since August, 90-day bank bill rates have averaged 3.34 per cent, more than 30 basis points higher than the prevailing cash rate.

But while higher interest rates represent bad news for some, it means good news for savers. For those relying on earnings from bank deposits and dividends, the past year has been a year to forget. But now interest rates are on the rise back to more 'normal' levels. And investors should also expect companies to restore or lift dividends over the coming year.

The \$64 million question is how quickly rates rise from here. At the start of the last rate hike cycle in 2002, the Reserve Bank made two quick fire rate hikes before retiring to the sidelines. But at that time the low point for rates was 4.25 per cent – much closer to the 'normal' or neutral zone around 5 per cent. In the past the Reserve Bank has lifted rates a few times before resting to gauge the impact. Another rate hike on Melbourne Cup day is a safe bet. And over the next year cash rates will likely lift to around 4.50 per cent.



## Interest rate decision and past cycles

The Reserve Bank has increased interest rates for the first time in 19 months (since March 2008) – the cash rate was lifted from a 49-year low of 3.00 per cent to 3.25 per cent. The cash rate had stood at the lowest levels since February 1960 when the short term money market yield averaged 2.94 per cent.

The first rate hike in the new cycle has occurred six months after rates were last reduced back in April 2009. There were six rate cuts in the last cycle with the cash rate cut from 7.25 per cent to 3.00 per cent.

Interestingly, in the last interest rate cycle there was a gap of five months from the last rate cut to the first rate hike. Rates were cut to 4.25 per cent in December 2001 and lifted to 4.50 per cent in May 2002.

If banks pass on the interest rate increase in full then repayments on a 25-year \$300,000 home loan will increase by \$45.69 a month.

Even with the rate hike, monetary policy is still clearly expansionary. The Reserve Bank has previously indicated that the "normal" or neutral cash rate is around 5.25 per cent. A neutral cash rate means that monetary policy is neither expansionary nor contractionary.

The Reserve Bank has now adopted a 'tightening' bias. That is, the RBA has indicated that further rate hikes are likely in coming months: the Board's view is that it "is now prudent to begin gradually lessening the stimulus provided by monetary policy".

The Reserve Bank has substantially upgraded its view on the Australian



will continue to rise over the next 12-18 months, probably between 1.5-2 percentage points.

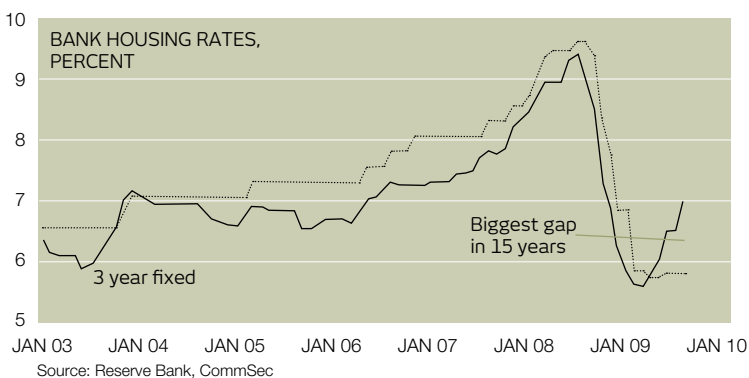
This rate hike is taken from a position of strength. Australia is clearly the strongest of all major developed economies and it is appropriate that it is the first advanced country to lift rates. The only other country to have lifted rates is Israel.

It is also important to note that it is not just the strength of the Australian economy, but the strength of our major trading partners in Asia – in particular China. China and Australia are inextricably linked. And as China continues to expand and prosper, so will the fortunes of Australia's resource producers, engineers and construction companies.

The Reserve Bank will need to closely monitor the effects of a rising Aussie dollar. Exports have recorded their biggest decline in 38 years and the tourism sector is still buffeted by the strong Aussie dollar.

*Craig James is the Chief Economist at CommSec, where he regularly presents to staff, clients and external organisations. He also provides expert commentary on economic issues through his regular TV reports, as well as speaking on radio and writing for the print media. ♦*

### Fixed or variable?



economy. It now expects economic growth to be close to trend while inflation is "close to target". The Reserve Bank does appear to have worried that if it didn't start lifting rates now that it would fall behind the curve.

What are the implications for interest rates and investors? Last

month we noted that "the days of super-low interest rates are numbered". While we thought the earliest the Reserve Bank would lift rates was December, the mood on global financial markets as well as domestic economic data, have been far better than expected. Overall, we would have preferred the Reserve Bank to have waited

another month or so before lifting rates, but it certainly has had a good track record with rate changes.

For investors, rate hikes are something to be embraced, not feared. The Reserve Bank is lifting interest rates because it believes the economy is strengthening. And a stronger economy means higher corporate earnings and therefore a firmer sharemarket. In addition, rate hikes translate to higher interest income for those with cash-based investments.

The housing market shouldn't be adversely affected by the small rate hike because it is the level of interest rates that matters, not the change in rates. Cash rates are still historically super-low, translating to affordable repayments. But budding home buyers need to do their sums. Rates

# The influence of Asian investors: a combined retail and residential interest

AUSTRALIAN REAL ESTATE OVER THE YEARS HAS BEEN INFLUENCED BY ASIAN INVESTORS. *JOURNAL* EDITOR REBECCA RYAN SPEAKS WITH RICK SOMBROEK, PRINCIPAL OF SHEAD FIRST NATIONAL REAL ESTATE, ABOUT ASIAN INVESTMENT INTERESTS IN THE AREA OF CHATSWOOD AND UNCOVERS OTHER ASIAN INVESTMENT TRENDS IN SYDNEY.

## **Chatswood: Sydney's northern suburbs**

Rick Sombroek has vast experience in commercial property on Sydney's North Shore. His specialty area is Chatswood, an area heavily dominated by Asian investors.

"In the late 1980's, Japanese investors were very important to the market, particularly in the areas of tourism, commercial and residential," Rick said.

"Chinese purchasers have always been significant, but broadly speaking have come in two distinct waves."

According to Rick, these 'waves' consist of:

THE NEW WAVE OF INVESTORS FROM MAINLAND CHINA HAS BECOME MORE AND MORE PREVALENT IN THE PAST 10 YEARS. THIS IS THE RESULT OF CHINA'S OPEN POLICY WHICH HAS RESULTED IN TREMENDOUS GROWTH AND WEALTH FOR MANY PRIVATELY-OWNED BUSINESSES.

- The older generations – comprised mostly of wealthy Hong Kong and Taiwanese families – purchased a significant amount of property in countries such as Australia, Canada and the US. Activity from Hong Kong purchasers increased leading up to 1997, when Hong Kong returned to mainland Chinese rule.
- The new wave of investors from mainland China has become more and more prevalent in the past 10 years. This is the result of China's open policy which has resulted in tremendous growth and wealth for many privately-owned businesses. This has led to purchases often between \$10-20 million or more







and includes development sites, retail and golf courses.

“Koreans have also become more active again, mostly over the last 10 years, and have generally been more concerned with residential, retail properties and development sites. And purchasers from Hong Kong and Taiwan are always present.

“In lesser numbers are Malaysian, Singaporean and Indonesian purchasers,” Rick explained.

Rick also identifies what could be considered the third wave of investors. Investors from Korea are extremely keen on mixed-use developments and are focused on purchasing retail shops for an occupation (because they own a small business) or for redevelopment. They are less interested in leasing or investing in a property to lease out.

The most often quoted reasons for purchasing in Australia are generally:

- politically stability;
- quality of education; and
- livability.

For Chinese purchasers in particular, it often seems that they make their money overseas in business and then invest it safely, but not necessarily dynamically, in Australian real estate.

## CHATSWOOD CBD RESIDENTIAL UNITS ARE EXTREMELY POPULAR WITH ASIAN PURCHASERS, WHO FORM THE BULK OF BUYERS FOR MOST NEW DEVELOPMENTS.

The traditional Hong Kong and Taiwanese purchasers tend to be more conservative with their purchases. Their Australian investments are often viewed as long term, and there is a distinct preference for residential and retail property in central locations with good infrastructure and transport. Chatswood has been one of the stand-out locations in this respect. Sales of prime retail in Chatswood over the past 12 months have reflected yields typically in the 4% net yield range for properties up to \$7 million.

Chatswood CBD residential units are also extremely popular with Asian purchasers, who form the bulk of buyers for most new developments. Often they are purchased ‘off-the-plan’ for investment or accommodation for their children who are studying at university and high school.

Asian investors choose Chatswood as it offers outstanding mixed residential and commercial opportunities, giving them options to live and work in the area. Many

are small business owners and find living and working in the area a plus.

Chatswood is also unique as it has two major shopping centres within walking distance. This creates foot traffic for the street retail outlets between the two shopping centres, which other popular areas do not offer.

Investors look for the ingredients that conjure a recipe resulting in retail focal points that consist of both residential and retail outlets in combination. They want an area that is strong in both property markets. This includes areas that are frequented by foot traffic the majority of the time – not just on week days or during business hours. Chatswood offers this – it is busy most of the time, including weekends, and evenings. The most popular properties purchased are freeholds on the main street.

Both prime retail and CBD residential units have been very resilient in Chatswood over the past 12 months and in many cases prices achieved have equalled and exceeded those achieved during 2007, which is generally considered the peak of the market.

The trend in Chatswood is that it is now further developing its residential presence. The focus is no longer on commercial development but on residential,

which makes it an extremely well-built area in terms of it already being a substantial commercial retail hub, as well as providing a comprehensive and developing residential offering.

Other areas that Asian investors are favouring include: Burwood, Bondi Junction, Hurstville and Strathfield. Rick points out that these are not as sort-after as Chatswood as there is not as much foot traffic outside the large shopping centres.

#### **Blacktown: Sydney's western suburbs**

A recent article in the *Blacktown Advocate* stated that Hong Kong investors, along with an increasing interest from Singaporean, Malaysian, Chinese, Taiwanese and Indian investors, are looking to Blacktown in Sydney's Western suburbs when considering property investment options.

This is believed to be mainly due to the area's expanding shopping hubs, rapid growth, cheap housing, great schools and its multicultural success.

An overseas investment survey by Hong Kong based Mediazone Group found Blacktown was the target of Asia's moneyed.

Mediazone Group CEO Glenn Rogers, whose Sydney home

is in Blacktown, noted that Hong Kong's investors "can rarely be accused of missing a bargain".

"Blacktown is a veritable hive of activity awaiting discovery by the foreign world. Furthermore, Blacktown is a multicultural success – a claim few suburbs anywhere in the world can make," he said.

With top performing schools, rapidly expanding shopping outlets, cheaper housing and an unparalleled community climate, foreign investors from Singapore, Hong Kong, Malaysia, China, Taiwan and India have been snapping up homes in Blacktown and raking in profit from rental and sales income, he said.

Those polled had an annual disposable income in excess of \$100,000, an appetite for overseas property investment and foreign citizenship.

#### **Sydney: CBD**

According to CB Richard Ellis, the recent sale of a hotel and retail complex in the Sydney CBD can be attributed to the growing Asian interest in the Australian property market.

According to CBRE, the sale of 185 Castlereagh Street is the latest in a series of deals to Asian investors, with another key deal in Sydney being the \$38 million

BLACKTOWN IS A VERITABLE HIVE OF ACTIVITY AWAITING DISCOVERY BY THE FOREIGN WORLD. FURTHERMORE, BLACKTOWN IS A MULTICULTURAL SUCCESS – A CLAIM FEW SUBURBS ANYWHERE IN THE WORLD CAN MAKE,

purchase of 61-79 Quay Street by a Chinese joint venture.

Mr Cullen said that the interest was being driven predominantly by institutional and private investors from Singapore, Hong Kong, Malaysia and Korea.

"Australia is proving to be a popular choice for foreign buyers due to a range of factors, including the relative strength of the local economy, the weaker Australian dollar, low interest rates and the recent easing in investment yields, together with transparency of the market and the ease of undertaking transactions," Mr Cullen said.

The flurry of investment activity mirrors the trend which occurred during the last property market downturn in the mid 1990s, according to agents, who said that during the period of 1995-2003 Asian buyers were the dominant purchasers of Australian commercial property assets. ♦



Cameron Williams has over 15 years office leasing experience. Joining Colliers in 1996, Cameron had to choose which area of commercial real estate to work in.

"I had the opportunity to work in many areas of the business, but chose to stay with office leasing. I enjoy the dynamic environment in which I work, and this is the main reason I have chosen my career path in this area," Cameron said.

"There have always been great opportunities for me in office leasing and I love it because of the variety, dynamic pace and being part of a market that is constantly changing.

"Working in office leasing has enabled me to get right across clients and projects – from small projects to large ones such as the

Westfield development. I have had the opportunity to work with some of the most prestigious developers, brands and clients in the country."

Cameron goes on to say that the impact of business cycles on the market is something that motivates him. He thrives on the challenge of change and adjusting to various market conditions, which can be especially volatile in the office leasing market.

#### **Mentoring and professional development**

To stay on top of his game, Cameron also believes strongly in the importance of mentoring and professional development.

"Mentoring can be informal – simply learning from those who are at the top of the field. And having business

relationships with such people is extremely beneficial," he said.

"Colliers provides a 'Colliers University' program. This allows staff to choose their own personal development structure and gives them the ability to create their own learning program. I'm able to do as many or as few courses as I choose. Colliers has been a great support to my personal development.

"I truly believe in the importance of taking the initiative to create a mentoring or personal development plan yourself – you are the key to your own success."

Cameron says that spending time with senior management at Colliers and building these relationships has not only helped him in terms of professional

development, but also he has been able to lean on these relationships for support when working on projects – particularly with his current major project, the Westfield development.

#### **The Westfield development**

Cameron commenced work on the Westfield development project in 2006 – a big commitment as the project will not be completed until 2012.

"This project is a very big commitment for any agent, as large projects can generally run from four to six years. My role – in conjunction with my co-agent, Julian Grosvenor from DTZ – involves everything from advising the client, to feasibility, to rental projections, to where demand will come from, to what the market wants in terms of design."



# To the LIMIT

WORKING ON MAJOR DEVELOPMENTS CAN BE AN ADRENALINE-FUELLED EXPERIENCE. COLLIERS INTERNATIONAL DIRECTOR OF LEASING CAMERON WILLIAMS SPEAKS TO JOURNAL EDITOR REBECCA RYAN ABOUT HIS PASSION FOR THE OFFICE LEASING PROFESSION AND HIS COMMITMENT TO THE PRESTIGIOUS WESTFIELD DEVELOPMENT PROJECT IN THE SYDNEY CBD.

“Australian Securities and Investments Commission (ASIC) – the major client on the Westfield development project – were involved in the design phase, which was absolutely a contributing factor to them signing on for the lease. They were able to have input into the design of the lobby.

“The ability to provide this input was a large part of securing the deal,” Cameron said.

#### **Large versus small projects**

Working on a large project such as the Westfield development means there is great capacity to take advantage of a quick momentum. It comprises a strategic approach and detailed processes, and there are significant amounts of planning.

A notable difference to a smaller project is the amount of focus a project as large as the Westfield development requires in relation to positioning the product and getting the correct message to the market.

According to Cameron, a small project differs in that it generally has a day-to-day momentum and market – you need to react very quickly and there is less strategic planning.

“It is a more homogenous product and a more competitive process,” Cameron said.

“Because the market moves more quickly on a smaller project, for example with my 20 Hunter Street, Sydney project, you have to really extract and employ all the unique selling points of the property.

“It’s imperative to differentiate it immediately from the rest of the market and to get the best result for the project.

“The 20 Hunter Street project, which is small in comparison to the Westfield development, was very ‘agency driven’. What I mean by that is it was about getting immediate inspections, getting people through the property quickly and making sure all the necessary material, such as floor plans, were ready and stocked as the decision making time was much shorter.

“There are more options out there for clients interested in a smaller project,” Cameron explained.

Although the same general principles apply to either a small or a large project, the decision-making

process with a project as large as the Westfield development is much longer, and involves a much more strategic client relationship process.

“It involves a different pitch to that which you would use on a smaller project. For example, the Westfield development project involved more focus on sustainability and productivity benefits, and predominantly went into detail on a much larger scale and with a longer-term outlook,” Cameron said.

#### **An open-book approach**

Cameron advises that when working on a large project the key is to respect everyone’s position and their role in the process.

“There are many more pieces to the puzzle on a large project and you must be able to work

successfully with many different people to be able to successfully pull everything together.”

“As I am the joint exclusive agent on this project, I have to take a team approach to ensure we provide the best service to the client. It is essential to be open and transparent, communicate effectively and comprehensively disclose all the details, no matter how small, to my co-agent. Working together as if you ‘carry the same card’ is what will make the partnership most successful.”

Cameron truly believes in this ‘one-team’ approach as the only way a project of this calibre can be a success. Working closely with another agent and making sure that partnership operates as a cohesive team is what has made the Westfield development project so successful to date.

“By having an ‘open book policy’ with your co-agent, you can provide the best possible service to the client, which is the main objective.”

Just some of the key skills an agent must have to work on a project like the Westfield development are:

- Experience with pre-commitment leasing
- Ability to document ‘what if’ scenarios
- Excellent negotiation skills
- Good understanding of the process used on such a large development
- Excellent internal relationships – it is important to have an established rapport with the various departments and key contact within your agency
- Having good support from colleagues – having the skills to ask the right questions and be able to draw out what information is needed to allow you to be the best agent on the project you can be
- Understanding the various components of the project and what it actually is that is being built – this is where knowledge from colleagues come in handy
- Trust – the ability to create it with key stakeholders

### Pushing the limits

“It is a real privilege to work on a large project like the Westfield development with such a distinguished client. A project of this calibre brings out the best in you. It requires an absolute commitment and inspires you to drive yourself, to push the boundaries and exceed all your expectations in terms of what you thought you were capable of,” Cameron said.

Cameron advises that the challenge with large projects at the moment is that they require such a large pre-commitment from clients before they can really get off the ground.

There were a number of sites due to commence construction in the 24 months from 2008. These developments are finding it difficult to get off the ground due to the current economic environment and the reliance on pre-commitments to fund the project. The global financial crisis has seen many changes to the market and subsequently these larger developments have been temporarily shelved.

Cameron explains that “the years 2012 to 2014 will see very little new supply in the Sydney CBD as a result of this”.

“This will place upward pressure on rent. As there is a substantial amount of time involved in getting major projects up and running, this trend will probably continue for some time – meaning we won’t see any significant supply until 2014/2015. This will also lead to demand outstripping supply, which subsequently will result in a very tight office market during 2011 to 2015.”

### A successful operation

Commitment, experience and dedication to furthering your professional capabilities are the most important elements to put into your backpack of success when embarking on a major development project.

Pushing yourself to the limit results in success, as long as you have a safety net – as Cameron says “large development requires the co-operation of many different stakeholders and ensuring you can rely on such relationships is the only way to stop you falling”. ♦



## Westfield Sydney

An iconic retail offering located in Australia’s largest, and one of the strongest performing, retail precincts.

The AU\$860M\* redevelopment will represent the next generation in retail, and is poised to become one of Westfield’s global flagships. Successfully integrating Westfield’s existing three sites on Pitt Street Mall, between the David Jones and Myer flagship stores in the heart of Sydney’s CBD, and accommodating up to 250 fashion, food and lifestyle stores over 40,000sqm\* and multiple levels, this state-of-the-art epicentre will offer an astonishing spectrum of choice.

On offer will be a selection of the finest in local and international brands fused with a sophisticated dining and leisure experience. Add to this exceptional customer services and a superior location, and Westfield Sydney is set to illuminate the retail landscape like nothing else before it.

From the ground up, a luxury experience will be incorporated into every facet of this Westfield gem.

A vibrant atmosphere will exist in energetic, exciting surrounds that will inspire all who visit and entice them to return. In conjunction with the brilliant array of retail offerings, a seamless shopping experience will be created through the delivery of luxury services catering to the broadest needs and desires of our shoppers.

The architecture will also be a focal point. As form and function entwine like never before, personal comfort will be considered at every level to ensure the shopper always feels pampered and taken care of.

Inspiration from every angle, this is tomorrow in a brilliant new light.

*\* includes retail and 100 Market St*

### 100 Market Street: ASIC’s choice for offices

- 17 properties were initially identified. Detailed analysis resulted in a short list.
- 100 Market Street was considered the most suitable premises because it presented the best opportunity to: create a cost effective, contemporary, flexible environmentally friendly and efficient office in a building that has minimal risk of functional obsolescence; and satisfy ASIC’s long-term property requirements in Sydney.
- 100 Market Street has, compared with the other short listed options, the most efficient floor plates therefore requiring the least floor space, which is more cost effective to both fit out and occupy.

# Commercial Property Conference

Held on Wednesday, 23 September, the REINSW Commercial Property Conference proved a great day for all who attended. The conference included expert commentary and presentations from renowned speakers, with Dr Clark Perry as keynote speaker. Dr Perry presented on how mental toughness can be measured and developed to allow one to deliver exceptional performances in adverse situations.

Attendees were also provided information to help them consider and assess current market conditions, what the future holds for the market at large, as well as what this means for investors and developers. The event highlighted opportunities to agents in order for them to take advantage of current market conditions and trends. ♦

CONFERENCE SPONSORS GARY BATEMAN (YOUVU) AND DAVID GABRIEL (LIGHTBOX FILMS).



MALCOLM GUNNING – REINSW BOARD MEMBER AND PRINCIPAL OF GUNNING COMMERCIAL



KYMBAL DUNNE, DEPUTY CHAIR OF THE REINSW COMMERCIAL CHAPTER, WITH CRAIG JAMES, CHIEF ECONOMIST AT COMMSEC.



RECOVERY! HOW BAD WILL IT BE? DR FRANK GELBER, CHIEF ECONOMIST AT BIS SHRAPNEL, SHARES HIS VIEWS.



# REINSW Novice Auctioneers Competition

The 2009 REINSW Novice Auctioneers Competition has comprised numerous Divisional events held statewide.

Up-and-coming auctioneers have battled it out on stage to win the prestigious REINSW Novice Auctioneers Divisional Awards. The winners of these Awards will advance to the REINSW State Final on 27 November 2009.

The events aim to raise money for chosen charities and to support local real estate industry talent. Each Division chooses the theme or location of the event, which can range from cocktail evenings to golf days, as well as the charity they wish the proceeds to go to.

## St George & Sutherland Shire Division

Congratulations to winner Oliver King from R & W Miranda.

An impressive crowd - in excess of 60 attendees - enjoyed the exceptional presentation style of MC for the evening, Kevin Ryan, owner of the Waterbrook Apartments - the venue where the event was held.

Managing Director of Waterbrook

informed REINSW that some of their residents had come to the office during the day to offer donations to the event charity, Sylvanvale. This was outstanding and obviously a result of much publicity efforts on the part of REINSW and Waterbrook Apartments.

Special guests included a representative from the chosen charity Sylvanvale and Ricky Stuart, coach of NRL team the Cronulla Sharks, who delighted the crowd as a guest judge.

Local paper *The Leader* donated two advertising packages for auction, a small trophy for the winner and a perpetual shield.

In addition to the novice auctioneers lots, the REINSW Auctioneers Chapter Committee also organised a raffle and silent auction which raised additional funds.

This event well exceeded \$7,000 in funds raised and thus achieved highest amount raised at an event so far.

The event was a fantastic evening for all and marks a bright beginning for the St George/Sutherland Division for the coming term. ♦



REINSW PRESIDENT STEVE MARTIN JOINS WINNER FOR THE NORTH SYDNEY DIVISIONAL COMPETITION MICHAEL M'CAFFERY, ST VINCENT DE PAUL SOCIETY CEO JOHN PICOT AND REINSW CEO TIM MCKIBBIN.

## Australasian Real Estate Institutes Auctioneering Championships

The 2009 Australasian Real Estate Institutes Auctioneering Championships are conducted jointly by the REIA and REINZ and were this year hosted by the REIT from 1-2 September in Hobart. Sixteen leading auctioneers from Australia and New Zealand were vying for the title.

REINSW's own - Damien Cooley of Cooley Auctions and David Gray of Ray White Randwick - were finalists in the competition, but were unfortunately pipped at the post by New Zealand's Phil McGoldrick, who was announced as the winner.

"Australia's best auctioneers put up a great fight with the best we have to offer, however we didn't have quite enough to beat the New Zealand team," said REIA President Mr David Airey.

"This trans-Tasman rivalry can only lift the standard of auctioneering in both Australia and New Zealand, which is great for our industry and consumers," My Airey and REINZ President Mr Mike Elford agreed.

REINSW extends its congratulations to Damien and David for their exceptional performance in the championships.



REINSW BOARD MEMBER CHRISTIAN PAYNE, WINNER OF THE ST GEORGE & SUTHERLAND DIVISIONAL COMPETITION OLIVER KING AND A REPRESENTATIVE FROM LOCAL PAPER *THE LEADER*.



COMPETITOR PAUL MILLET



CENTRAL COAST DIVISIONAL COMPETITION WINNER, LAURIE ANDREWS (CENTRE), WITH REPRESENTATIVES FROM CENTRAL COAST HEALTH (LEFT), EVENT ORGANISER DAVID SANDERS AND REINSW REPRESENTATIVE TRACEY LUCAS.



WINNER OF DOUBLE BAY DIVISION, JOSH LARSEN

# ALL YOUR AUCTION ESSENTIALS

The REINSW Store has everything you need to help you succeed in this fast-paced profession

## AUCTION AGENCY AGREEMENT

Don't see your vendor without it! These essential auction agency agreements are compliant and designed with you in mind. Ensure you have the right forms - order your pad of 25.

SA00300 (Residential) or SA00830 (Commercial)  
REINSW members \$18.45 / Non-members \$20.50 (pack of 25)

## AUCTION AGENCY AGREEMENT FOR SALE OF GOODS

Selling good and chattels, but not the property? The agency agreement for sale of goods is just what you need. Available in a pad of 50 forms.

SA00350 - REINSW members \$18.45 / Non-members \$20.50 (pad of 50)

## AUCTION BIDDERS REGISTRATION CARDS

Registration cards must be completed by every participating bidder. Have enough on hand - order a pack of 100.

SA00302 - REINSW members \$18.00 / Non-members \$20.00 (pack of 100)

## AUCTION A-FRAME SIGN (REVISED AUGUST 2009)

Buy the full sign and notice package with this A-frame display for your next auction. The stable, light-weight sign includes the Prescribed Conditions of Sale by Auction, Warnings and OH&S notices. The A-frame folds flat for easy carrying, storage and transportation.

AS00230 - REINSW members \$180.00 / Non-members \$200.00

## AUCTIONEER'S GAVEL

SOLD! No auction ends without the fall of the gavel. Purchase your prestigious auctioneer's gavel made in polished Australian blackwood (29cm long) now!

AS00100 - REINSW members \$70.20 / Non-members \$78.00

## GAVEL BASE PLATE

For the complete set, don't forget the base plate for your gavel made in polished Australian blackwood (15cm in diameter).

AS00110 - REINSW members \$27.00 / Non-members \$30.00

## AUCTION "CONDITIONS" NOTICE (REVISED AUGUST 2009)

Ensure you have the required signage posted at your next auction. A3 laminated sign with *Property Stock & Business Agents Act 2002* prescribed conditions of sale by auction.

AS00200 - REINSW members \$9.00 / Non-members \$10.00

## AUCTION "WARNING" NOTICE (REVISED AUGUST 2009)

A3 laminated sign with *Property Stock & Business Agents Act 2002* warnings including penalty for collusive practices and dummy bidding. In association with the "Conditions" notice, this signage is a legal requirement of every auction.

AS00210 - REINSW members \$9.00 / Non-members \$10.00

For more information or to order, go to [www.reinsw.com.au](http://www.reinsw.com.au), call (02) 9264 2343 or email [store@reinsw.com.au](mailto:store@reinsw.com.au)

# 2009 Charity Ball

On Saturday, 5 September 2009, NSW Young Lawyers hosted the 4th Annual Inter-Professional Charity Ball at the Hilton Hotel. The theme for the evening was 'masquerade'.

Amongst a record number of young professional groups who participated, the REINSW Young Agents ran a professional and exciting auction at the event to support the chosen charity, the Black Dog Institute. The auction included numerous luxury items such as a Salvatore Ferragamo handbag and a romantic escape with Medina Apartments.

Young Lawyers said a special thanks to our Young Agents for all their support and efforts, and in particular Braden Walters and

Eddy Piddington for running such a successful and professional auction.

Other young professional groups who attended included Young Engineers, Emerging Architects, Doctors in Training, and Young Water Professionals – all showing great support for this year's chosen charity.

The charity auction, raffle and poker tables on the night raised almost \$2,500 for the Black Dog Institute!

The entertainment was provided by Blue Velvet Jazz and Vegas Nights poker. A magic show by Ace McDermott, magician/illusionist/mind-reader kept party-goers captivated.

The night was a great success and a fun evening for all! ♦



REINSW YOUNG AGENTS ADRIAN WILSON, BRADEN WALTERS, EDDY PIDDINGTON JOINED OTHER YOUNG PROFESSIONALS AT THE CHARITY BALL.

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# Keep learning



## NEWS

- REINSW have signed a formal agreement to write and deliver workshops for the new Green Lease Federal and ACT Government initiative.
- The *Property Stock and Business Agents Act* will be amended towards the end of the year. Keep your eyes peeled in this section of the training liftout for further information as we will keep you updated on the impact this will have on training and licensing.
- REINSW Education and Training Manager Susan Hull recently appeared as a speaker at the Associations Forum in Sydney. Her presentation focused on innovative ways to conduct CPD training. Susan and REINSW share a passion for learning and continuing professional development at the highest level – it is not about simply gaining points, but about providing quality education in any session undertaken by participants. Susan has also been asked to present at the same event in Auckland, New Zealand.
- For the first time REINSW will be offering a range of business qualifications via an eLearning portal. These new courses include: Diploma in Frontline Management; Certificate IV in Project Management; courses in trade practice and consumer protection; and a range of IT and computing courses. The REINSW website will provide regularly updated information on all courses. Please visit [www.reinsw.com.au](http://www.reinsw.com.au) for further information.

## Featured courses

### THE LEASE AND THE LAW

Do you understand the terms in a Residential Tenancy Agreement? Have you ever read a Residential Tenancy Agreement from beginning to end?

If the answer is 'no', then this is the course for you!

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.

You'll learn what you need to know in order to successfully work in a property management department, including:

- the rights and obligations of landlords and tenants
- a landlord's right of access to premises
- how to handle repairs and maintenance
- how to deal with breaches of a Residential Tenancy Agreement

You'll also learn about using special conditions in a Residential Tenancy Agreement without contravening the *Residential Tenancies Act*.

#### Who should attend

This course is ideal for experienced property managers looking to consolidate their knowledge and new entrants to the industry wanting to gain a precise knowledge of the law as it applies to residential leases.

### HOW TO MAKE MONEY FROM OPEN INSPECTIONS

#### Open for inspection perfection!

As more and more people are making their purchase decisions without ever stepping into a real estate office, opening homes for inspection is a must.

Open homes are often the first opportunity the agent has to directly:

- sell the property to potential buyers;
- gauge the level of interest in the property; and
- negotiate with potential buyers.

Remember, the easier you make it for potential buyers to see the home and the more times they view it, the more likely they are to buy it!

Learn everything you need to know about successful open inspections.

This course is for those who want to achieve the highest possible price in the shortest possible time by providing effective open inspections.

For further information visit [reinsw.com.au](http://reinsw.com.au) or call REINSW Training on (02) 9264 2343.



BY SUSAN HULL  
REINSW EDUCATION & TRAINING  
MANAGER

Welcome to the first edition of the REINSW Training liftout.

As leaders in real estate training, we're launching this liftout which incorporates our training calendar, as well as breaking news and other information to keep you updated on our outstanding programs and other happenings in the training arena.

This new liftout will appear in each edition of the *Journal*. I hope you'll use it as a convenient and informative resource for all your training needs.


Fitting to a first edition, I have some outstanding news I would like to share with you all. We have recently partnered with Rydges World Square, Sydney, to allow over half of our training courses to be held at this stylish venue.

This sponsorship by Rydges shows great support of, and an interest in, REINSW and in turn provides a valuable offering to members through exceptional training facilities along with other benefits – such as this year's Melbourne Cup lunch event, which is a special offering exclusive to REINSW members. To find out more on this event, please visit [www.reinsw.com.au](http://www.reinsw.com.au) and click on the Rydges banner on the homepage.

# REINSW Training Calendar

NOVEMBER/DECEMBER 2009

## NOVEMBER

| MON   | TUE   | WED   | THU  | FRI   | SAT   | SUN |
|---|---|---|--|---|---|-----|
| <div style="display: flex; justify-content: space-between;"> <div style="font-size: 4em; color: red; font-weight: bold;">keep<br/>learning</div> <div style="text-align: right;"> <p><b>TAKE ADVANTAGE OF FLEXIBLE ENROLMENT OPTIONS!</b></p> <p>The <b>REINSW Real Estate Licensing Course</b> has been specifically designed to suit your needs.</p> <p>Enrol in any individual week and enhance your professional development.</p> <p>Call REINSW Training on (02) 9211 8707 for more information.</p> </div> </div> |   |   |  |   |   |     |
| 2   | 3   | 4   | 5  | 6   | 7   | 8   |
| SYDNEY – Real Estate Licensing Course (full time) – Week 2<br>Establishing and Maintaining Trust Accounts and Agency Finance – 5 days   |   |   |  |   | SYDNEY<br>Course in Property Practice (part time) continues                           |     |
| SYDNEY<br>Experienced Agents<br>Licensing Course  | SYDNEY CPD<br>Setting up your agency<br>(9.30am-1.30pm)                         | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues |  | NOVICE AUCTIONEERS<br>COMPETITION<br>Orana Division                             |   |     |
|   |   |   |  | ALBURY CPD<br>How to make money from Open<br>for Inspections<br>(9.00am-1.00pm) |   |     |
|   |   |   |  | ALBURY<br>Experienced Agents<br>Licensing Course                                |   |     |
| 9   | 10  | 11  | 12   | 13  | 14  | 15  |
| SYDNEY – Real Estate Licensing Course (full time) – Week 3<br>Agency Administration and Staffing – 5 days   |   |   |  |   | SYDNEY<br>Course in Property Practice (part time) continues                           |     |
|    |   |   |  |   |   |     |
| SYDNEY<br>Course in Property Practice (full time) – 5 days  |   |   |  |   |   |     |
|   | DOUBLE BAY<br>Auctioneers Forum   | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues |  |   |   |     |
|   | SYDNEY CPD<br>Win the Business<br>(9.30am-1.30pm)                               |   |  |   |   |     |
| 16  | 17  | 18  | 19   | 20  | 21  | 22  |
| SYDNEY – Real Estate Licensing Course (full time) – Week 4<br>Property Management Practice and Procedure – 5 days   |   |   |  |   | SYDNEY<br>Course in Property Practice (part time) continues                           |     |
|   | SYDNEY CPD<br>How to make money from Open<br>for Inspections<br>(9.30am-1.30pm) | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues | NEWCASTLE CPD<br>How to make money from Open<br>for Inspections<br>(9.00am-1.00pm) |   |   |     |
|   |   |   | NEWCASTLE<br>Experienced Agents<br>Licensing Course                                |   |   |     |
|   |   |   | NEWCASTLE<br>Experienced Agents<br>Course in Property Practice                     |   |   |     |
| 23  | 24  | 25  | 26   | 27  | 28  | 29  |
| SYDNEY – Real Estate Licensing Course (full time) – Week 5<br>Implementing Listings and Sales – 5 days  |   |   |  |   |  |     |
| SYDNEY<br>Course in Property Practice (full time) – 5 days  |   |   |  |   |   |     |
|   | SYDNEY CPD<br>How to have a compliant agency<br>(9.30am-1.30pm)                 | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues |  | SYDNEY<br>REINSW Annual General<br>Meeting and State Conference                 |   |     |

CPD workshops \$199/\$245 – go to [www.reinsw.com.au](http://www.reinsw.com.au) for course descriptions

Specialists skills workshops

Novice Auctioneers Competition

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.



## DECEMBER

| MON  | TUE   | WED   | THU  | FRI   | SAT | SUN |
|--|---|---|--|---|-----|-----|
| NOV 30   | DEC 1   | 2   | 3  | 4   | 5   | 6   |
| SYDNEY – Real Estate Licensing Course (full time) – Week 6 OPTIONAL<br>Auction Practice and Accreditation – 3 days |   |   |  |   |     |     |
| CANBERRA<br>Course in Property Practice (full time) – 5 days   |   |   |  |   |     |     |
| MERIMBULA<br>The Lease and the Law<br>(1.00pm-5.00pm)  | BATEMANS BAY<br>The Lease and the Law<br>(1.00pm-5.00pm)                                    | NOWRA<br>The Lease and the Law<br>(1.00pm-5.00pm)                             | WOLLONGONG<br>The Lease and the Law<br>(1.00pm-5.00pm) |   |     |     |
|  | SYDNEY CPD<br>An agent's guide to tax and<br>property investment<br>(9.30am-4.30pm)         | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues               |  |   |     |     |
| 7  | 8   | 9   | 10   | 11  | 12  | 13  |
| SYDNEY<br>Course in Property Practice (full time) – 5 days   |   |   |  |   |     |     |
| SYDNEY<br>Experienced Agents<br>Licensing Course   | SYDNEY CPD<br>How to make money from Open<br>for Inspections<br>(9.30am-1.30pm)             | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues               |  |   |     |     |
|  |   | TAMWORTH<br>How to make money from Open<br>for Inspections<br>(9.00am-1.00pm) |  |   |     |     |
|  |   | TAMWORTH<br>Experienced Agents<br>Licensing Course                            |  |   |     |     |
| 14   | 15  | 16  | 17   | 18  | 19  | 20  |
| SYDNEY<br>Course in Property Practice (full time) – 5 days   |   |   |  |   |     |     |
|  | SYDNEY CPD<br>Talent Management - Knowing<br>how to retain key personnel<br>(9.30am-1.30pm) | SYDNEY<br>Real Estate Licensing Course<br>(part time) continues               | SYDNEY CPD<br>Win the Business<br>(9.30am-1.30pm)      |   |     |     |
|  | MANLY<br>How to make money from Open<br>for Inspections<br>(9.00am-1.00pm)                  |   |  |   |     |     |
|  | MANLY<br>Experienced Agents<br>Licensing Course   |   |  |   |     |     |
| 21<br>NSW SCHOOL<br>HOLIDAYS START   | 22  | 23  | 24   | 25<br>CHRISTMAS DAY   | 26  | 27  |
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Rosalie Douglas

Afternoon panel session

Charles Tarbey, Malcolm Gunning (Gunning Commercial) and Miles Felstead (Miles Felstead Realty)

**Date** 11 November 2009

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Rosalie Douglas' career spans over 30 years in real estate and includes owning three franchise offices. She specialises in sales, auctioneering, administration and consultancy.

Rosalie is a published training author and is considered a property management guru. Over the last 10 years she has presented at numerous property management conferences and functions.

A licensed real estate agent, business agent, strata management agent, accredited training and property management consultant, Rosalie brings a depth of knowledge to her programs that is second to none. She believes that students learn more when they are having fun. With that in mind, her training courses are lively and interactive.

*Rosalie will be presenting at the REINSW Young Agents Conference on the 11 November 2009. She will be speaking on how to invest in yourself through continuous professional development and training, and how you can achieve real success over the course of your career. For further information, visit [www.reinsw.com.au](http://www.reinsw.com.au)*

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# Trends in commercial regeneration

SOME OF OUR CITIES AND SUBURBS IN NEW SOUTH WALES ARE RE-INVENTING THE WHEEL WHEN IT COMES TO REAL ESTATE DEVELOPMENT AND INVESTMENT IN THE COMMERCIAL ARENA. THIS ARTICLE LOOKS AT THREE KEY AREAS THAT ARE LEADING THE WAY: SURRY HILLS IN SOUTH SYDNEY, THE CITY OF NEWCASTLE AND DOUBLE BAY IN SYDNEY'S EASTERN SUBURBS.



## Developing Surry Hills

Traditionally an alternative area for the arts and manufacturing, Surry Hills has developed into a trendy and fashionable hub for all walks of society, with a unique demographic of housing commission residences combined with young professionals and high net worth CEOs that both work and socialise within the area.

Over the past 5-10 years, there has been an influx of more corporate businesses to the area which has created opportunities to develop more up-market bars, restaurants and retail shops, as higher net professionals are willing to spend more money on servicing these restaurants and bars.

Recent deals include the purchase and conversion of an old-style 150 sqm garage that was

developed into a new underground bar (Pocket Bar) - which has been extremely successful in attracting regular alternative groups and young professionals.

There is also an emergence of boutique retail outlets and gourmet food stores such as Hudson's Meats.

These trends are lifting the existing community and transforming the area. It is a trend that is very similar to that of Europe - a strong village atmosphere, and more boutique and niche retailers (fashion/food/bars) that appeal to the more eclectic and bourgeois crowd.

### **Why are high net professionals choosing Surry hills?**

According to Tom Speakman of Gunning Commercial, in the

past Surry Hills has been known as a cheaper alternative to the CBD - it incorporates a more relaxed atmosphere and has high accessibility to transport for employees, with Central station being moments away and the area having an excellent bus connection with most outer Sydney suburbs.

### **What opportunities are presented for real estate agents?**

There are a great deal of commercial buildings scattered throughout the area and this, combined with dense residential living, presents a number of opportunities for both commercial and residential agents.

In addition to this, Tom said that "there are opportunities for creative outlet for the agent. Many tenants have bright and innovative ideas for

commercial spaces and the agents have an outlet for creative thinking when it comes to putting them in a space that they deem suitable."

### **Who are the developers?**

"Traditionally it has been families that have owned property in the area for years and years. But more recently we have been seeing the larger building groups such as Mirvac moving to the area - their most recent refurbishment has been Making Room 4 on the corner of Campbell and Crown Streets," Tom said.

"There has also been a private developers who have done some amazing warehouse conversions - 35 Buckingham Street, Exchange on Nichols Street, and Studio 54 at 54 Foveaux Street, to name a few."



## Making the most of run-down buildings – the changing face of Newcastle

Renew Newcastle is an initiative that has been established to find short and medium term uses for buildings in Newcastle's CBD that are currently vacant, disused or awaiting redevelopment.

Renew Newcastle aims to find artists, cultural projects and community groups to use and maintain these buildings until they become commercially viable or are redeveloped. Renew Newcastle is not set up to manage long-term uses, own properties or permanently develop sites but to generate activity in buildings until that future long-term activity happens, and has been set up to clean up these buildings and get the city active and used again.

Renew Newcastle was founded to help solve the problem of Newcastle's empty CBD. While the long-term prospects for the redevelopment of Newcastle's CBD are good, in the meantime many sites are boarded up, falling apart, vandalised or decaying because there is no short-term for use them and no one taking responsibility for them.

Property owners licence (for a nominal sum) their buildings to Renew Newcastle while they have no tenants or are awaiting development.

Renew Newcastle's default licence agreement is based on accessing the property on a rolling 30 day basis.

Property owners can give 30 days' notice at any time should they receive a commercial offer or need to proceed with development. This enables the property owner to provide the property without sacrificing the potential commercial returns and is one of the key reasons why properties are made available so cheaply.

The initiative contributes to not only the city's cultural and economic well-being, but is a feasible option for building owners in the midst of a pending redevelopment, or where a building is not suitable for a traditional commercial business.

**The initiative:**  
Adds life to the city - The whole point of Renew Newcastle is to bring

the city back to life. For shopfronts, projects that will bring people to the city are sort after.

It is unique - Renew Newcastle is not about turning the city into another suburban shopping centre or filling every shop with one type of gallery. It is about making Newcastle a place with a wide variety of unique creative things and energies and getting the best of Newcastle out and on display. Projects that showcase people making and presenting original things are key.

It has the support of the property owner – For a project to happen it needs someone with a suitable property to get behind it.

## Double Bay – a supermarket of development opportunity

Woollahra Council and Woolworths Limited will form a partnership to redevelop the area around the existing supermarket in Double Bay.

The redevelopment will cost \$115 million and is predicted to result in an extra \$100 million a year in revenue for the commercial area, as well as create 300 jobs.

Woolworths will be responsible for the redevelopment of the site, which council will buy on completion.

The project will be built in two stages. The first stage, on land south of Kiaora Lane, will include a new Woolworths supermarket, Dan Murphys and Thomas Dux outlets, other commercial and retail outlets, and a 500-space public car park.

The second stage, on New South Head Road, where the present supermarket is, will include a new council library, commercial and

retail sites and a public arcade to Kiaora Lane.

Woollahra Mayor Andrew Petrie said the project would help revitalise Double Bay. "Council will be making a significant investment in Double Bay to generate a substantial return on investment for the benefit of the community," he said.

"We are taking a 29-year loan to purchase the development outright, which will be fully serviced by development rentals."

The council will start preparing a local environment plan and rezoning for the site, while Woolworths is required to put in a development application, to be determined by the State Government.

The council has said community consultation will occur during both the rezoning and development application processes. ♦



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# Marketing for new developments



BY JULIA NEKICH

MARKETING A NEW DEVELOPMENT MAY BE PRETTY TOUGH IN THE CURRENT MARKET, BUT THE GOOD NEWS IS THAT CONDITIONS ARE BEGINNING TO IMPROVE.

Whatever the state of the market, every good-sized development needs a great PR machine behind it to help promote available stock and garner the support of the local community.

Whether your development is residential, commercial, retail – or all three – the following PR avenues can help meet the above aims.

## Before you begin

Before promoting the development, it's really important to know who its buyers might be.

Will the apartments or villas attract empty-nesters, or first home buyers? Is the area filled with medical businesses, making the development ideal for this market? A good property research consultancy can help assess the size of the market, buyer attitudes, and what opportunities exist in the area. Tailoring the development's benefits to this market – that is, developing the right key messages – will be part of the foundation of its marketing and PR.

## Media coverage

For any new development, there are a number of story angles that could be pitched to the media – particularly for residential.

The most obvious media avenue is the real estate section of newspapers – both local and major metropolitan – for promoting new apartments or villas. If the development is an important one in the area, some local newspapers may even give it full-page coverage. I remember marketing a retirement village, with the local newspapers very amenable to covering the development each time a “stage” was completed, a display villa opened, or an open day was held (buying some advertising space might help, too). If you have good photos or illustrations, this often results in larger stories.

You can get creative with editorial angles. If the developer has commissioned some research to help assess the viability of the development, the population growth in the area, or whether there is scope for more retail, commercial or residential space in that suburb, the research data could also form some story angles. Also, don't forget that case studies (buyers who have bought off the plan) can add a ‘human interest’ element to any story.

If the interiors are high end and showcase the latest trends, these could also be pitched to interior design magazines. When I worked as a journalist, I not only covered Sydney Wharf (an important Sydney harbourside development) in Sydney Morning Herald's

## A LAUNCH EVENT IS ESSENTIAL – AND HOW THIS IS TIMED WILL BE DIFFERENT FOR EACH DEVELOPMENT.

*Domain*, I also wrote about the interiors in *Belle magazine*.

## Marketing communications

As soon as you begin your marketing campaign, it is a good idea to start building a database of prospective buyers, as well as businesses in the community that can assist you in promoting your development. These take a little time to build, but it's worth your while, as you can then update the community about the development directly (not just through media stories) using eNewsletters and mailouts.

A good website is a given – and the more the site provides necessary information and is ‘two way’ (engages readers), the better.

## The community

If the community is on side, it can promote much of the development for you through word of mouth. You could begin by publicising the development through local community events (art exhibitions and festivals, for instance), local sporting clubs and RSLs. One method is through sponsorship and, in return, your development might be able to ‘piggyback’ on the publicity used by these events.

For commercial projects, you could explore opportunities to publicise the development through local

council, local business chambers, associations, business events and business networking groups. For retail, it could be worthwhile liaising with the various retailing associations to see what avenues are available there, such as trade shows.

## Events

Open days are an important part of any development's community relations strategy. An open day can be held at display villas each time a ‘stage’ is ready to be sold off the plan. In addition, a launch event is essential – and how this is timed will be different for each development.

Think about important speakers and any local celebrities you could invite to the launch event. This is also an opportunity to invite media – the more ‘attractive’ the guest list the greater the chance that media will attend.

Of course, PR is rarely a one-stop shop, and the most successful developments will engage PR alongside other marketing avenues, such as advertising and online marketing.

*Julia Nekich is principal of The Ideas Suite, a Sydney-based PR consultancy with specialities in property and professional services. A former journalist, Julia has written for major media such as Domain (Sydney Morning Herald), Sunday Telegraph, Belle and Vogue Living. Visit [www.theideassuite.com.au](http://www.theideassuite.com.au) ♦*

# Personal safety paramount for real estate agents



BY LAUREN CAMERON

THE VERY NATURE OF REAL ESTATE MEANS THAT AGENTS COMMONLY FIND THEMSELVES IN POTENTIALLY DANGEROUS SITUATIONS – MEETING UNKNOWN CLIENTS AT VACANT PREMISES, TRAVELLING ALONE WITH BUYERS IN A CAR, WORKING LATE AT NIGHT TO PERFORM CONTRACT NEGOTIATIONS, OR SIMPLY ATTENDING AN OPEN INSPECTION ALONE.

Developing an office policy for these types of situations and employing strategies to deal with confrontation are important first steps in empowering agents to commit to their personal safety.

Research on the number of agents who are threatened or assaulted in the course of their work is hard to find, but anecdotal information suggests that many incidents go unreported.

In Australia, the real estate industry was shocked by the rape and murder of 48-year-old Victorian real estate agent and mother of two, Lorelle Makin, who was found dead in a vacant house she was selling in 2005. Closer to home, a man pretending to be a buyer or seller has recently been active in the Ipswich area trying to lure female agents to vacant properties for an appraisal or to collect non-existent deposits.

While reporting these incidents is not meant to cause unnecessary alarm, it is vital for all agents to understand the risks associated with their activities and develop strategies to minimise them. Finding the middle

ground between paranoia and complacency is essential.

The following are strategies for avoiding potentially threatening situations and dealing with confrontation.

## **1. Be confident, be assertive and use body language to your advantage**

Displaying confidence plays a vital role in the preservation of your own personal safety. Offenders target people they perceive to be vulnerable and who would offer them the least amount of resistance. By appearing confident and comfortable in your surroundings you are decreasing your attractiveness to potential offenders. For example, walk purposefully with your head up and shoulders back if you think you are being watched.

Strong body language and general assertiveness can be useful for agents dealing with difficult or unhappy clients, particularly if someone becomes hostile or aggressive. Being assertive does not involve being aggressive and standing over someone, but it does facilitate open communication and allow people to express their point of view confidently and objectively. Even if you don't feel confident, it can be helpful to try to 'bluff' your way to a position of power and confidence if someone tries to intimidate or threaten you.

A confident person is also more likely to be aware of their

ENSURE YOU ARE FAMILIAR WITH THE LAYOUT OF A PROPERTY AND WHERE TO FIND THE EXITS BEFORE SHOWING A POTENTIAL BUYER OR TENANT THROUGH, AND BE MINDFUL OF TACTICS YOU COULD USE TO REMOVE YOURSELF FROM THE SITUATION IF NECESSARY.

surroundings, identify and implement preventative strategies, have faith in their abilities, and take action if their personal safety is threatened.

## **2. Be aware of your surroundings**

Minimise your exposure to danger and avoid potentially threatening situations by continuously surveying your surroundings. This will alert you to possible threats to your safety before they reach you, and give you an opportunity to remove yourself from the situation. The key is to look relaxed and comfortable, rather than paranoid.

For example, be alert to anything unusual about the person you

are meeting or the place where you are meeting them. Ensure you are familiar with the layout of a property and where to find the exits before showing a potential buyer or tenant through, and be mindful of tactics you could use to remove yourself from the situation if necessary.

## **3. Trust your instincts – and act on them!**

Your body will often sense danger long before your mind will consciously work out why, so ignoring your instincts could place you in real danger. Sometimes, the fear of losing a potential listing, buyer or tenant can mean agents ignore instincts about their own personal safety. But if you sense danger or pick up bad 'vibes'





from a person or place, trust your instincts, take action and remove yourself from the source of potential threat immediately.

#### **4. Establish networks and systems that you can rely on**

It can be difficult to think clearly if you find yourself in a threatening situation, so try to develop plans that you can rely on if your safety is ever threatened. By mentally visualising yourself dealing with a particular incident, there is a greater chance you will think clearly and react automatically if it should ever occur. It might be helpful to consider as many worst case scenarios as possible and brainstorm various response options with your colleagues and family.

#### **5. Develop a personal safety plan, incorporating tactics you feel comfortable with**

Your personal safety plan should consist of safety strategies that suit your lifestyle and abilities, and should incorporate regular preventative actions that become second nature.

Following are just a few examples:

- Make sure your office is always informed of the three Ws: where you are going, who you are meeting, and when you will be back.
- Meeting anonymous buyers, sellers, lessors or tenants alone is a hazard. It's preferable to meet in the open office first or, if this is not possible, ensure

your office knows where you are and who you are meeting. It's preferable to provide these details to the office in the client's presence, or even phone your own home or office phone and leave message with these details while the client can hear you.

- Don't show a property alone at night, especially if it is vacant.
- Be familiar with the layout of properties you are showing and be mindful of all the exit and entry points.
- Always allow the client to walk in front of you when showing a property.
- When showing a property or hosting an open home, keep

your handbag, laptop and other valuables locked in the boot of your car. But remember to have your car keys and mobile phone with you at all times, either in a pocket or clipped to your belt.

- If you are alone at an open house, get someone from your office to call you and establish a code word or phrase to use if you are in trouble.
- Consider asking another agent to accompany you to an inspection if you have reservations about a particular client or situation.

It is not uncommon for agents to become complacent about their own personal safety when potentially dangerous situations are often encountered on a daily basis. However, it is imperative to understand the potential risks associated with your activities, and develop a collection of preventative strategies for avoiding confrontation and potential harm.

While there are no set rules that will ensure you can avoid a confrontation, it's vital to maintain a commitment to your own personal safety, an awareness of your options and the confidence to act. These are ultimately the most valuable tools for protection.

Agents who notice any suspicious or potentially criminal activity should contact Crime Stoppers immediately on 1800 333 000. ♦

Article reprinted courtesy of the REIQ Journal.

# Unlocking value in common property

BY GLEN CREMER

AS A PROPERTY VALUER I HAVE NOTICED A DISTINCT AND INCREASING OPPORTUNITY IN THE PAST FEW YEARS, AND THAT IS FOR ASTUTE STRATA UNIT HOLDERS TO AMALGAMATE UNDER UTILISED AREAS OF COMMON PROPERTY AS A PART OF THEIR UNIT - TO THE MUTUAL BENEFIT OF ALL UNIT HOLDERS.

Common property is the most valuable asset of the owners' corporation. It is recognised and protected by the *Strata Schemes Act 1973*.

It can include and is not limited to: roof spaces, gardens, terraces, under-crofts, car park areas, driveways, laundry rooms, care-taker units, excess land, and passageways.

This trend of utilising space and amenities as common property will increase over time for the following three reasons:

- Increasing land values – as values increase these small areas become more valuable and can add significantly to the value of a unit.
- Environmental considerations – for example, garden areas can be better managed on a smaller scale with less waste, roof spaces can be better utilised and insulated potentially reducing heating/cooling costs.
- Increasing costs – the maintenance costs associated

with strata buildings as well taxes such as land tax and council rates are increasing. Amalgamating common property results in a reduction of the costs of maintaining common property and this can partially offset these increasing costs. In addition to this, the initial cash injection from transferring the common property can be utilised by the body corporate for often much needed maintenance and repairs

There is a definite role to be played by property managers who can identify these areas of potential gain for their clients and add real value to their client's asset portfolio. This is also a great opportunity to further solidify their position and importance to their clients as an expert property manager.

As well as the obvious increase in value as a result of these capital improvements, there is also the upside rental enhancements that are attributed to these improvements.

In order to highlight the benefits of transferring common property, three recent case studies of valuations are detailed as follows:

1) Part of a roof space in a unit was transferred to one of the unit holders on the upper level in a small complex in Double Bay. Approval was received for the development at Woollahra Council and it was agreed

to transfer the roof space subject to a valuation of the space. The unit was to become a two level unit with the upper level incorporated into the roof space which allowed the unit to have an additional 60m<sup>2</sup> of living area with views over Double Bay.

The benefits to the unit holder were obvious in that it enhanced the unit's value by \$600,000 on completion. The value to the owners' corporation was also significant in that it did not need this space and was able to offset any future roof repairs and maintenance to a large proportion of the roof to this particular unit holder as well as using the funds from the transfer of this space to improve the building.

2) A large 50m<sup>2</sup> terrace which was common property and was directly outside one particular unit and access to this terrace was via a separate stair case. The terrace had good views towards Tamarama beach but many of the units also had these views individually. The unit owner had placed a number of chairs and tables on this terrace without objection and virtually had exclusive use to the terrace.

It was agreed to transfer this terrace subject to valuation and that future maintenance of this terrace would be the responsibility of the subject unit holder. The funds from the transfer were to be used to rectify concrete cancer problems

WHEN DEALING WITH SMALLER AREAS THE MOST COST EFFECTIVE AND PRACTICAL METHOD, AND THE ONE THAT IS USUALLY ADOPTED WHEN TRANSFERRING COMMON PROPERTY TO AN OWNER OF A LOT WITHIN THE STRATA SCHEME, IS BY GRANTING EXCLUSIVE USE OR SPECIAL PRIVILEGES TO AN OWNER.

associated with the building, as well as general painting and upgrades to the building.

This same building also had a disused undercroft and sloping front yard which a number of developers had made offers to purchase as it had good views over the beach and was around 120m<sup>2</sup>.

3) A section of rear yard with Pacific Ocean glimpses, of around 75m<sup>2</sup> in Bondi Beach which was directly behind the subject unit. This yard was never used by any of the unit holders as the main entrance was away from this passageway.

This space was transferred to the unit holder and the bedroom at the rear was converted to a living room with French doors opening to this now exclusive yard. A lap pool was installed and the unit's value was greatly enhanced.

The owners of the remaining units benefited from the funds from the transfer and reduced maintenance costs associated with this yard.

Under the *Strata Schemes Management Act 1996* and the *Strata Schemes Act 1973* there



a number of stipulations that an owners' corporation may deal with in common property.

When dealing with smaller areas the most cost effective and practical method, and the one that is usually adopted when transferring common property to an owner of a lot within the strata scheme, is by granting exclusive use or special privileges to an owner. These rights of exclusive use or special privileges are conferred by the passing and registration of a bylaw at the Land Titles Office.

In order to obtain exclusive use to common property, generally, authorisation is required by a special resolution of the owners corporation and failing no objections then granting of exclusive use rights will be granted.

If an exclusive-use bylaw under s 51 of the *Strata Schemes Act* has been registered at the Land Titles Office it may contain a term requiring the owner(s) to pay a fee to the owners corporation for the continued enjoyment of the exclusive use right. The Act does not allow the owners' corporation to claim interest on outstanding fees however interest may be claimed pursuant to s 39A of the *Local Court (Civil Claims) Act 1970* when issuing a statement of claim.

This process is most likely to succeed under the following circumstances:

- in smaller apartment building of under 16 units;
- where there is open and honest communication between the unit holders using independent valuations at early stages of the process;
- if proposed by long standing unit holders;
- where the common property is of little use to all other units concerned; and
- where there is significant financial compensation to the other unit holders for their benefit or the building's benefit.

Dealings involving common property will continue and this trend will spread out from the inner city suburbs towards the outer suburbs as property values and costs continue to climb.

This will present great opportunities for knowledgeable and skilled agents particularly in property management to alert their clients of these possibilities and assist in the facilitation of the process which will add value to the services they already provide.

*Glen Cremer is Director of the Australian Real Estate Service. Glen has over 20 years experience in real estate matters specialising in retail leases, luxury residential and strata matters in commercial and residential property. Glen can be contacted on (02) 9130 6666. ♦*

# Land rich and landholder duty



BY JOANNE SEVE

LAND RICH OR LANDHOLDER DUTY IS STAMP DUTY IMPOSED AT TRANSFER DUTY RATES IN EACH AUSTRALIAN STATE AND TERRITORY ON CERTAIN "INDIRECT" TRANSFERS OF LAND THAT OCCUR THROUGH CHANGES IN OWNERSHIP, OR, IN SOME CASES (BUT NOT IN NSW), CONTROL, OF CERTAIN COMPANIES OR UNIT TRUSTS THAT DIRECTLY OR INDIRECTLY (THROUGH A CHAIN OF ENTITIES DOWNSTREAM), OWN LAND IN THE STATE OR TERRITORY.

In NSW and Western Australia, landholder duty is also imposed in respect to goods, subject to exceptions (such as stock-in-trade, livestock and registered motor vehicles) and exemptions (such as the exemption in NSW where NSW goods comprise not less than 90% of the total value of all land and goods in NSW of the entity).

Land rich or landholder duty is calculated on the relevant percentage interest in land (and goods for NSW and WA) in the jurisdiction indirectly transferred, without regard to liabilities of the company or unit trust. For example, an unlisted company might own \$5M land in NSW and \$1M other assets (including NSW dutiable goods of \$500K) and have liabilities of \$5M. If there is a transfer of 100% of the shareholding in the company, notwithstanding that only

\$1M is paid by the purchaser for the shares, NSW landholder duty will be calculated on the \$5M land plus \$500K goods (i.e. \$287,990 duty), unless an exception or exemption applies. An example of an exception that could apply is, where the company is a primary producer (i.e. its land wholly or predominantly comprises land used for primary production) and land represents 80% or more of all its property.

The exception for primary producers is the only occasion where a percentage ratio of land to other property is relevant to landholder duty in NSW since 1 July 2009. Prior to that date, NSW had land rich duty, known as such because, to be exposed to the duty, the entity had to be "land rich". That is, land (wherever located) had to represent at least a minimum percentage of all the property (excluding certain assets such as cash and certain loans) of the entity.

From introduction of land rich duty in NSW on 10 June 1987 (with retrospective provisions from 21 November 1986 for acquisitions in unlisted companies) until (and including) 13 November 2003, the NSW land rich duty minimum percentage threshold used to be 80%. The other minimum thresholds that applied during that



period were a minimum NSW land threshold of \$1M and a minimum acquisition threshold of greater than 50% (or any addition thereto) of the entity.

On 14 November 2003, the NSW land rich minimum percentage threshold was reduced to 60% (except for primary producers). The other thresholds in NSW were also changed, with the minimum NSW land threshold increased to \$2M and the minimum acquisition threshold reduced to a 50% acquisition (or any addition thereto) for unlisted companies or wholesale unit trusts, and, a 20% acquisition (or any addition thereto)

for private unit trusts. The tracing provisions were also changed, from greater than 50% or more interests reduced to 20% or more.

From introduction of NSW land rich duty until (and including) 30 June 2009, NSW land rich duty was calculated on the relevant percentage interest in land and not goods.

On 1 July 2009, the NSW land rich duty regime changed to a landholder duty regime, through the removal of the minimum land rich percentage threshold (except for primary producers). That is, since 1 July 2009, landholder



duty can be payable in NSW, notwithstanding that the underlying land directly or indirectly owned by the entity only represents a small percentage of all its property.

Since 1 July 2009, under the NSW landholder duty regime:

- the minimum threshold \$2M NSW land remains;
- the minimum acquisition percentage is 50% (or any addition thereto) for unlisted companies and non-public unit trusts;
- the tracing provisions have been increased from 20% or more to 50% or more interests;

- duty is calculated on the relevant percentage interest in land and goods;
- from 1 October 2009 duty is imposed at a specified rate and basis, on acquisitions of 90% or more of a listed company or public unit trust scheme that directly or indirectly owns \$2M NSW land; and
- various other provisions have changed.

Recently, the Queensland OSR announced that from 10 August 2009 it would be writing to companies with significant Queensland landholdings to request information

## IF ANYONE RECEIVES AN INVESTIGATORY LETTER FROM A REVENUE OFFICE, IT WOULD BE PRUDENT TO OBTAIN ADVICE BEFORE RESPONDING.

about share transactions in, and asset holdings of, those companies over the last 5 years as part of a review of compliance with the Queensland land rich duty provisions. Nothing as broad has

been announced in NSW, although each State and Territory Revenue Office has investigatory units which audit compliance on regular basis.

If two core messages about land rich duty and landholder duty can be extracted, they are:

- If a company or unit trust (whether onshore or off-shore Australia) owns land in Australia, and whether that land is owned directly by the entity or, indirectly (through a chain of entities downstream), then, if any change in control or, in shareholding or unit holding (or in rights attaching to shares or units) in the entity is intended, before any such transaction is effected and even earlier, before any agreement is entered into, advice as to whether land rich or landholder duty will be payable should be obtained.
- If anyone receives an investigatory letter from a Revenue Office, it would be prudent to obtain advice before responding.

*Joanne Seve is a State Taxes Consultant. For more information visit [www.stampduty.com.au](http://www.stampduty.com.au) ♦*

### Disclaimer

This article is only a broad summary and is not comprehensive and should not be relied upon as advice.

# Proper service of termination notices



BY JODIE MASSON (PARTNER) AND  
JANE PARK (LAWYER) - MIDDLETONS

REAL ESTATE AGENTS ACTING AS PROPERTY MANAGERS SHOULD ENSURE THAT THEY ARE AWARE OF THE IMPORTANCE OF SERVING A VALID NOTICE OF TERMINATION ON THE TENANT. LIKEWISE, LANDLORDS SHOULD CAREFULLY CHECK WHETHER A NOTICE IS VALID WHEN THE TENANT SERVES A NOTICE OF TERMINATION ON THE LANDLORD OR THE PROPERTY MANAGER.

Serving invalid notices or notices that are open to dispute can lead to delays and costly proceedings in the courts.

## The facts and findings

Most residential tenancies in NSW are covered by the *Residential Tenancies Act 1987* (NSW) (the Act). The Act and the *Residential Tenancies Regulation 2006* (NSW) (the Regulation) set out a standard residential tenancy agreement (the Agreement) giving clear rights and obligations to landlords and tenants.

Under the Act and the Regulation, a landlord or its agent may only terminate the Agreement by serving a correct notice of termination on the tenant (which specifies a date on which the tenant must leave the premises) and, if the tenant fails to deliver vacant possession of the premises, by also obtaining an order for possession in the Consumer, Trader and Tenancy Tribunal (CTTT).

Real estate agents acting as property managers for landlords must be aware that it is important that termination notices are properly served. If termination notices are not properly served, then a tenant may argue that the termination notice was invalid and that a new termination notice should be served before the termination is effective, hence delaying the termination. In this article, we will discuss service of termination notices in light of a couple of important court decisions.

## 1. *Elabbas v CTTT & Anor* [2007] NSWSC 878 (Elabbas Case)

### Facts

The facts of the Elabbas Case are as follows:

On 8 July 2005, the tenant entered into an agreement with the NSW Land & Housing Corporation (the landlord).

During the period of 25 May 2006 to 7 November 2006, the tenant was in jail.

On 31 July 2006, the landlord issued by post a notice of termination to the tenant, at the address recorded in the agreement. The reason for serving the termination notice was due to the tenant's failure to pay rent on time.

On 31 August 2006, the landlord brought proceedings in the CTTT to end the agreement and take possession of the premises.

On 9 May 2007, the CTTT held that amongst other things, the termination notice was properly served on the tenant and therefore was a valid termination notice.

The tenant appealed the decision of the CTTT to the Supreme Court of NSW (the Court).

### Findings

The Court considered clause 25 of the *Residential Tenancies (Residential Premises) Regulation 1995* (NSW) which was in force at the time (and has since been repealed). The old clause 25 is identical to current clause 29 of the Regulation which reads in part:

29(1) ... a notice of termination given under the Act to a tenant may be given:

(a) by delivering it personally to the tenant or a person apparently of

or above the age of 16 years by whom the rent payable by the tenant is ordinarily paid, or

(b) by delivering it to the residential premises occupied by the tenant and by leaving it there with some person apparently of or above the age of 16 years for the tenant, or

(c) by sending it by post to the residential premises occupied by the tenant ...

The tenant argued that he did not in fact "occupy" the residential premises at the date the termination notice was served (i.e. 31 July 2006) because he was in jail at that time and therefore, the termination notice was invalid.

The Court disagreed and found that although the tenant was in jail, he did in fact "occupy" the premises at the date the termination notice was served. The Court took the view that the tenant had not taken any steps to notify the landlord of any change to the tenancy, and therefore he still occupied the premises at the date the termination notice was served on him.

## 2. *Reiss v Helson & 2 Ors* [2001] NSWSC 486 (Reiss Case)

### Facts

The facts of the Reiss Case are as follows:

On 25 August 1999, the tenants entered into an agreement for occupation of a unit at Elizabeth Bay.

In November 1999, the tenants complained to the landlord's managing agent about noise coming from the unit directly above the tenants.

The tenants served a notice of termination by placing it under the door of the landlord's agent's premises on the evening of 9 December 1999.

The landlord's agent acknowledged receipt of the notice of termination on 13 December 1999 in a letter to the tenant.

The landlord received the notice of termination via their agent. In other words, the landlord was aware of the notice.

The Residential Tenancy Tribunal (RTT) found that amongst other things, the notice of termination was validly served on the landlord.

The landlord appealed the decision of the RTT in the Court.

### Findings

The Court dismissed the appeal and upheld the decision of the RTT. In reaching this decision, the Court referred to the High Court case of *Capper v Thorpe* (1998) 194 CLR 352, where the Court stated:

In many statutory contexts, a document may also be "served" when it is brought to the notice of the person who has to be served. At all events, it will be "served" in such contexts if the efforts of the person who is required to serve the documents have resulted in the person to be served becoming aware of the contents of the document.

Therefore, like in the Elabbas Case, the Court avoided a strict interpretation of clause 29 of the Regulation. The Court agreed with the RTT in that the use of the word "may" in clause 29 instead of "shall" indicates that the method of serving a termination notice is not limited to the methods listed in clause 29. Therefore, since the landlord had knowledge of the notice of termination, this was enough to give effect to a proper service of termination notice. ♦

# Safety net for your landlords in uncertain times

A NUMBER OF AGENTS HAVE BEEN REPORTING A SURGE IN RENTERS BREAKING THEIR LEASE TO TAKE ADVANTAGE OF THE FIRST HOME OWNERS GRANT (FHOG) AND THE LOW INTEREST RATE ENVIRONMENT.

This type of activity is not good news for landlords who may face a sudden cessation in their steady rental income, and also a timely reminder of the importance of landlords' insurance.

## Rent default claims have been escalating dramatically in recent years

Tenants sometimes simply disappear without damaging the property, but owe weeks of back rent or they stay in the property without paying rent. Meanwhile, the landlord is out of pocket while due legal process is followed to evict them. In some cases it can take

up to six weeks from when a tenant defaults until the matter is heard in court.

Professional real estate property managers naturally try to ensure that through their tenant selection but even the best property managers can't prevent unforeseen circumstances. Landlords' insurance can provide much needed relief for a cash-strapped landlord.

## Malicious damage claims have gone up

A few years ago the average claim for malicious damage was less than \$800 and now the average claim is around \$3,000.

Malicious damage or vandalism is a wrongful act motivated by malice with the intention to damage the property. Examples include:

- Holes punched in the doors and walls,
- Cutting the carpet or blinds,
- Several cigarette burns on the carpet.

With malicious damage it is often very difficult to tell whether the damage was the result of one event or more.

Recognising this issue, Aon recently negotiated with our insurer to change the way malicious damage claims are assessed. Importantly, only one excess will be applied despite there possibly being more than one event. For example, if someone cuts up the carpet, pulls a door from its hinges and punches a hole in the wall, one excess will be applied to this malicious damage claim. This will greatly reduce the landlords' out of pocket costs.

## Landlords' insurance meets changing needs of property owners

Landlord's insurance is not meant to be panacea for the constant on-cost of normal property maintenance, nor a replacement for bond. The loss of rent component also provides a safety net where rental income is important to meeting financial goals. In recent times, this cover has evolved to meet the changing needs of property owners. ♦

Landlords' insurance should not be considered an option, but a must for a shrewd investor.

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.

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# Invest in your future

BY JOHN GREIG

WHILST YOU ARE BUSY HELPING CLIENTS MAKE THEIR FORTUNES WITH ASTUTE PROPERTY INVESTMENTS, WHAT ARE YOU DOING TO INVEST IN YOUR SUPERANNUATION?

Property investors know that a well maintained property investment is more likely to attract a higher quality of tenant and a higher rent. This in turn increases the value of the property for the investor.

Each year the average retirement superannuation balance increases as more time passes since the advent of compulsory super in 1993. Within the next few years it will not be unusual to have superannuation accounts worth \$200,000+ by the time you reach 50 and a decade after that balances may average \$300,000+ (in today's dollars).

Yet while many of us are now facing the prospect of having superannuation balances the size

of a house – how diligent is our maintenance of our investment?

If you have an investment property, do you:

## **Inspect the property and maintain fixtures and fittings?**

Over time most superannuation funds innovate and change. This can lead to opportunities for you to tailor your investment so that it is most suitable for you. Examples might be the introduction of new investment options or limited time offers to increase insurance without underwriting.

By paying attention to the opportunities available within your super fund, you are able to customise and enhance your investment.

## **Shop around for your investment property loan?**

In the last few years, in part due to the industry super fund campaign, superannuation fees have been

dropping. It is now generally unnecessary to pay more than 2% pa for your superannuation fund and it is also unnecessary to pay any form of contribution or entry fee. Many fees can be reduced or waived just by asking, but in order to do so, you need to know what you are paying (you can check your annual statement).

Reducing your fees by 1% pa has a similar outcome to reducing a mortgage rate by 1% pa. With a mortgage you can pay the property off sooner, with superannuation you end up with a bigger investment as the money that was paying fees, is now being credited into your account. Or alternatively, you might be able to retire sooner.

## **Insure the property?**

While you can't actually insure your superannuation, you can insure yourself through superannuation and given that your ability to earn an income (and thereby contribute to super) is really your biggest

asset, insuring yourself through superannuation makes a lot of sense.

Most super funds offer income protection insurance where the fund will pay you a substitute income if you are incapacitated temporarily (the definition of incapacity, waiting periods and maximum payment periods should be detailed in the Fund Product Disclosure Statement).

*If you would like some help reviewing your super, you can contact your industry super fund REI Super at [bdm@reisuper.com.au](mailto:bdm@reisuper.com.au) or speak to your financial adviser. ♦*

## **Disclaimer**

The information contained in this article does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super warns that REI Super has not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Members should obtain and read the Product Disclosure Statement for REI Super before making any decisions.  
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# WISE INVESTMENT: Underquoting



BY CHRIS GRAY



AS THE MARKET STARTS TO HEAT UP WITH A STRONGER ECONOMY AND WITH THE WARMER MONTHS BEGINNING TO SET IN, THERE'S BEEN A LOT OF MEDIA RECENTLY AROUND AGENTS UNDERQUOTING. SO WHAT'S HAPPENING AND WHAT POTENTIAL DAMAGE OR EFFECT COULD THAT HAVE ON YOU AND YOUR INDUSTRY?

The main issue tends to be around disgruntled buyers that have often paid hundreds or even thousands of dollars on building, strata and pest inspections to then find that the property sells at well above their budget, leaving them out of pocket and with an even smaller deposit than they had already.

There isn't a guaranteed formula for what any particular property is worth on a particular day. A lot of emotion comes into the decision, especially when it involves someone's potential home rather than an investment purchase. One person will always be willing to pay more than another if a home suits their particular needs. The amount they might pay, over what another one thinks it may be worth, will often be more in suburbs where available properties are in short supply or where each property has its own characteristics.

Therefore, there are many genuine cases where a property will sell

by private treaty or at auction way above what even the agent's wildest expectations are. It's a free market economy and if two or more buyers really want something there is virtually no limit to how far they may be prepared to chase it.

However there are certainly a number of cases where agents have specifically underquoted a property's potential sale price to bring more buyers and competition to the market. In virtually all industries, buyers want to pay less and vendors want more. It's the salesperson's role to broker a deal between the two, lessen the expectations of the vendor and increase the anticipated value of the buyer.

The real estate industry has often had a tainted reputation for unprofessional salesmanship because buyers are involved in such an emotional decision in the largest financial transaction they may ever do. A lot of their decision time can be wasted, as well as a lot of their money, if they are given unrealistic expectations of what a property might sell for.

As a buyers' agency that deals with a number of different agents from various agencies, we often get given the professional courtesy of a more honest answer when

we ask direct questions as to a property's price. So when an agent says, "We've got interest in the high \$500s" and we reply "So what does the vendor really want?", they often come back with "An offer would really need to be in the region of \$650k+ to be seriously considered". It gives us a much clearer understanding of whether we think those expectations are realistic and whether our clients may be prepared to go to that level. We can then avoid wasting both our time and money getting inspections done.

This courtesy isn't often shown to the general public that buy property less frequently and that's where the stories come from disgruntled buyers slating the agents. I think that while an agent does have to do the best for their vendor and bring as many buyers and competition to a sale as possible, they may damage their own reputation, that of their agency and that of the industry in general. Agents in an area often talk about their competitors 'buying the listing' or 'underquoting' and that reputation gets around.

I tend to believe that the agents that tend to treat everyone fairly and do the right thing end up getting the most sales in the long run. They might lose a couple of

IT'S A FREE MARKET ECONOMY AND IF TWO OR MORE BUYERS REALLY WANT SOMETHING THERE IS VIRTUALLY NO LIMIT TO HOW FAR THEY MAY BE PREPARED TO CHASE IT.

buyers that don't have the budget to buy, but they may gain a few more buyers because they have gained more trust by quoting a realistic price.

Just remember that every single one of your vendors was at one time a buyer. So how you treat your buyers will ultimately be reflected in how many vendors you have in the future.

*Chris Gray is CEO of property portfolio company Empire. He is a leading property expert who provides opinion and commentary regularly in the news media. 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](http://www.yourempire.com.au) ♦*

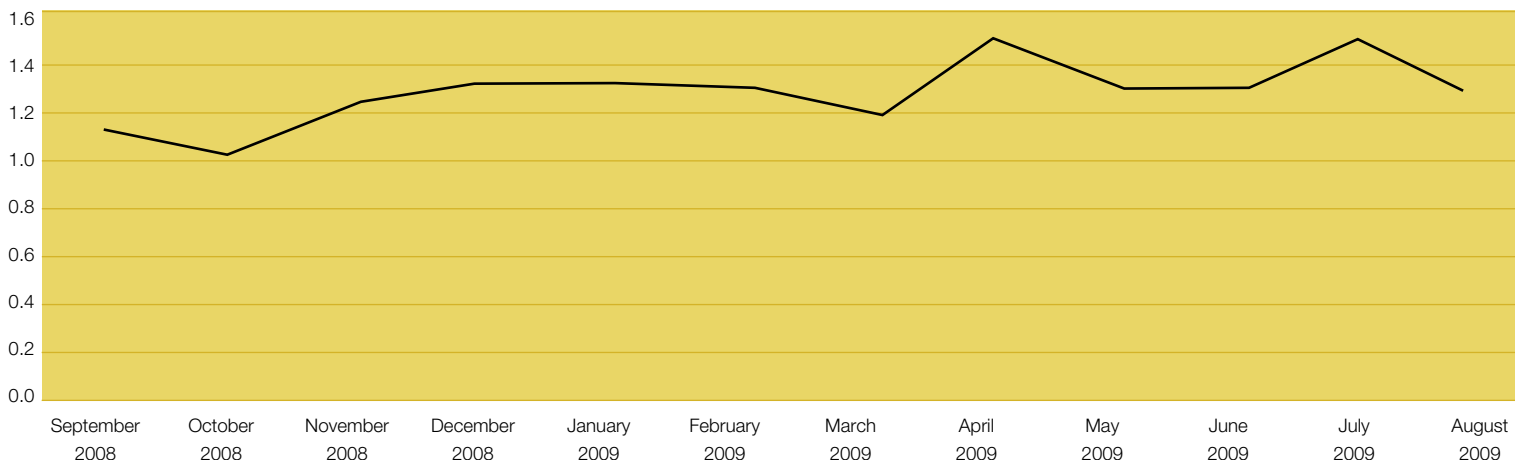
# Research

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 REINSW

| SYDNEY        | Aug-09 | Jul-09 | Jun-09 | May-09 |                 | Aug-09 | Jul-09 | Jun-09 | May-09 |
|---------------|--------|--------|--------|--------|-----------------|--------|--------|--------|--------|
| Inner         | 1.5    | 1.8    | 1.6    | 1.4    | ALBURY          | 2.3    | 2.6    | 2.5    | 2.3    |
| Middle        | 1.3    | 1.5    | 1.4    | 1.5    | CENTRAL WEST    | 2.1    | 2.5    | 2.8    | 2.2    |
| Outer         | 0.9    | 1.1    | 0.9    | 1.0    | COFFS HARBOUR   | 4.1    | 4.6    | 3.9    | 3.3    |
| Total         | 1.3    | 1.5    | 1.3    | 1.3    | FAR WEST        | 0.0    | -      | -      | -      |
| HUNTER        |        |        |        |        | MID-NORTH COAST | 2.2    | 1.6    | 2.0    | 1.8    |
| Newcastle     | 1.8    | 1.4    | 1.6    | 1.5    | NEW ENGLAND     | 1.7    | 2.4    | 2.8    | 1.9    |
| Other         | 1.4    | 2.3    | 2.0    | 1.9    | NORTHERN RIVERS | 1.9    | 1.9    | 2.0    | 2.2    |
| Total         | 1.6    | 1.9    | 1.8    | 1.7    | ORANA           | 1.4    | 1.2    | 1.1    | 1.6    |
| ILLAWARRA     |        |        |        |        | RIVERINA        | 1.3    | 1.6    | 2.1    | 2.0    |
| Wollongong    | 1.3    | 1.9    | 1.6    | 1.2    | SOUTH COAST     | 2.2    | 3.5    | 3.5    | 3.5    |
| Other         | 1.3    | 1.8    | 2.3    | 2.7    | SOUTH EASTERN   | 1.7    | 1.6    | 1.5    | 2.5    |
| Total         | 1.3    | 1.9    | 1.8    | 1.6    |                 |        |        |        |        |
| CENTRAL COAST | 1.6    | 2.1    | 2.1    | 1.6    |                 |        |        |        |        |

## 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 |
| 9/8/2009    | 49               | 77.4%                  | 19               | 76.2%                  | 37               | 89.5%                  | 47               | 76.5%                  | 305              | 70.7%                  |
| 16/8/2009   | 49               | 84.6%                  | 27               | 83.9%                  | 42               | 85.7%                  | 51               | 78.6%                  | 308              | 72.4%                  |
| 23/8/2009   | 82               | 84.7%                  | 30               | 93.5%                  | 62               | 81.8%                  | 51               | 88.9%                  | 409              | 77.8%                  |
| 30/8/2009   | 67               | 86.1%                  | 24               | 88.0%                  | 27               | 92.6%                  | 56               | 91.2%                  | 370              | 76.2%                  |
| 2/8/2009    | 34               | 82.4%                  | 21               | 65.2%                  | 29               | 80.6%                  | 50               | 62.7%                  | 311              | 68.2%                  |
| 26/7/2009   | 50               | 69.2%                  | 16               | 82.4%                  | 34               | 77.8%                  | 33               | 80.6%                  | 293              | 71.3%                  |
| 19/7/2009   | 38               | 73.8%                  | 23               | 84.0%                  | 34               | 80.0%                  | 72               | 83.8%                  | 290              | 79.4%                  |
| 12/7/2009   | 45               | 74.5%                  | 16               | 93.8%                  | 40               | 75.0%                  | 43               | 61.2%                  | 305              | 66.8%                  |
| 5/7/2009    | 48               | 78.8%                  | 24               | 91.7%                  | 16               | 60.0%                  | 29               | 75.0%                  | 222              | 68.6%                  |
| 28/6/2009   | 55               | 78.9%                  | 28               | 79.3%                  | 38               | 71.4%                  | 53               | 76.4%                  | 344              | 71.6%                  |
| 21/6/2009   | 67               | 75.0%                  | 23               | 87.5%                  | 26               | 85.7%                  | 72               | 69.1%                  | 342              | 66.8%                  |
| 14/6/2009   | 77               | 85.0%                  | 28               | 85.7%                  | 36               | 75.6%                  | 40               | 73.8%                  | 382              | 69.5%                  |

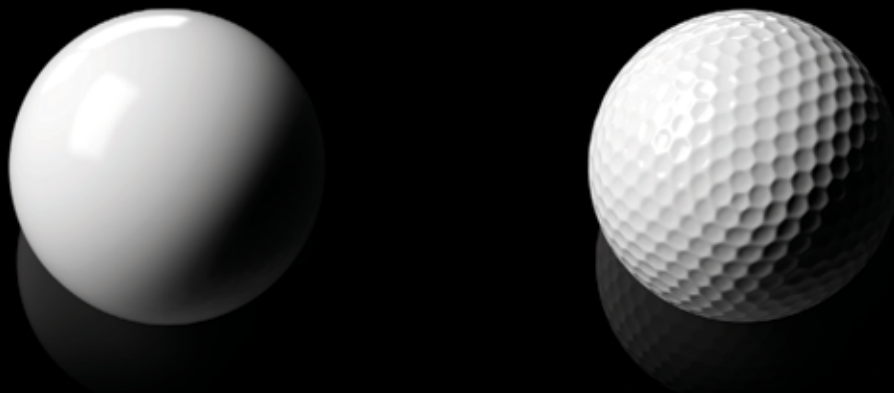
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**FORWARD** thinking

## OBITUARY

# MR LES PRITCHARD – A REAL ESTATE LEADER

THE BOARD AND MANAGEMENT OF THE REAL ESTATE INSTITUTE OF NEW SOUTH WALES WERE DEEPLY SADDENED TO HEAR OF THE RECENT PASSING OF MR LES PRITCHARD OF PRITCHARD & ASSOCIATES.

Mr Pritchard passed away on Saturday, 12 September 2009 at 82 years of age after a long battle with cancer.

Mr Pritchard made an extensive and valuable contribution not only to REINSW and its members, but also to the real estate profession generally over many years. He had a long association with REINSW - becoming a member in 1989, and soon after in 1990 becoming Chairman of the City of Sydney Division. Mr Pritchard also proudly received an REINSW Membership Service Award in 1998.

His long involvement with REINSW, and with the City of Sydney Division especially, endeared him to many

and as a mark of respect and in recognition of his contribution, a number of past and current Board members of REINSW attended his memorial service.

REINSW has also made a donation to St Vincent's Hospital Medical Oncology Cancer Research, Darlinghurst in honour of Mr Pritchard.

Mr Pritchard was involved with many charities and supported his local community, including refereeing rugby matches for junior clubs. He was actively involved in his charity work up until a week before he passed away, a testament to his good character and strength.

The Board and management of REINSW would like to extend their sincere condolences to Mr Pritchard's loved ones at this difficult time. ♦

MR PRITCHARD  
MADE AN EXTENSIVE  
AND VALUABLE  
CONTRIBUTION  
NOT ONLY TO  
REINSW AND ITS  
MEMBERS, BUT  
ALSO TO THE REAL  
ESTATE PROFESSION  
GENERALLY OVER  
MANY YEARS.

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