

Journal

AUG 2010
VOL 61/07



REINSW AWARDS 2010
excellence

What's inside

Awards finalists revealed | Strategies for success | Residential Tenancies Act 2010

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80% of the total 5.8 million unique browsers in June 2010 to realestate.com.au did not visit the nearest competitor**

80%

20%

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MORE interaction



MORE value

*Nielsen Market Intelligence, June 2010

**Nielsen Market Intelligence, Duplication Report, Total Traffic, June 2010





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It is an ongoing priority of REINSW to seek out opportunities that will secure a certain level of presence and service for our members.



Discount on Deposit Power premium

Australia's oldest deposit guarantee provider offers REINSW members a discount on selected premiums.

Deposit Power is offering a 20 per cent discount on their Short-Term Guarantee premium to all current REINSW members and their immediate families upon direct application (i.e. not via a lender or broker). To qualify for the discount, simply state your REINSW member number on the top of the front page of the application.



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Deposit Power short-term guarantees to REINSW members

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Striving for excellence

With a Federal election days away and a State election to follow, REINSW is ramping up its lobbying activities. We are proud to announce significant successes in recent months, with a number of REINSW's suggested changes appearing in the final *Residential Tenancies Act 2010* and, more recently, a number of stamp duty concessions.

Our consistent lobbying efforts are getting the desired results and for this I must congratulate the team at REINSW, as well as members who are raising public awareness of these issues.

Excellence in our industry

It has been a busy and successful year for agencies across NSW. We celebrate the professional achievements of our members in this edition by showcasing the 2010 REINSW Awards for Excellence finalists (page 25). The standard of the entries was

outstanding this year and strong competition made the judging difficult. The winners of this year's Awards will be announced at a Gala Dinner on Saturday, 9 October 2010.

It has been a busy and successful year for agencies across NSW. We celebrate the professional achievements of our members.

Make sure you don't miss what is sure to be a fantastic evening. Join us as we celebrate excellence in our industry and book your place by going to www.t1events.com

The 'excellence' theme continues in a feature that explores the

results of a survey titled *The Future of Agents Commissions*. Experts comment on the findings and discuss best practices with regard to new technology, marketing initiatives, and the importance of investing in training and developing your most important business asset – your staff (page 14).

And in our Chapters section, we outline the legal implications of cooling off periods for REINSW members who are residential sales agents (page 36). It is crucial that real estate professionals can correctly interpret and explain the law to clients in order to maintain a high level of service.

Building relationships

We are proud of our many business alliances and partnerships at REINSW, and one of our most recent has been formed with Westpac (page 12). The bank has excellent

services and products available to agencies, and is keen to assist REINSW members with training and advice.

I recommend all our members take advantage of this partnership. Further information is available on the REINSW website.

Team effort

I would like to conclude this message by congratulating our REINSW Education & Training and Marketing & Communications teams that continue to create and coordinate outstanding courses for our members. Many of the recent sessions on the *Residential Tenancies Act* were sold out within days.

I also commend REINSW members for taking the initiative to stay informed of developments in our industry. For a summary of the information presented at these sessions go to page 21.

Wayne Stewart
REINSW President

REINSW Major Partners

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Costly review of vendor disclosure

It has been extremely encouraging to see so many REINSW members attend our free member sessions on the *Residential Tenancies Act 2010* these past few weeks. More than 1600 agents attended – an acknowledgment of how serious the changes are. If you were not able to attend one of the sessions, you can view the video at www.reinsw.com.au/RTAfreeseession

The Act brings with it radical changes to agent obligations and agency practice. While the Regulation is yet to be finalised, what we do know is that REINSW lobbying has been extremely effective in influencing and improving some of the amendments to the Act.

REINSW will continue to update members on developments in this area and provide a comprehensive training program in coming months.

Vendors to pay for pre-purchase reports?

Another issue on REINSW's radar is the review of vendor disclosure for residential property sales. Currently, purchasers may commission their own pre-purchase report(s) to satisfy themselves as to the physical condition of a property.

The NSW Government is investigating whether or not a vendor should be required

Given that the vendor is required to obtain the reports, will they be tainted in the eyes of a purchaser?

to provide a building and pest inspection report, and be reimbursed by the purchaser at the time of settlement.

It is often the case that multiple, identical inspection reports are purchased when several people are interested in the same property. Advocates of requiring a vendor to include inspection reports as part of the contract for sale argue that if vendors purchase the reports, potential purchasers will not need to pay for them upfront. Accordingly, unsuccessful bidders at an auction, for example, will not have to pay for the reports at all, but they will benefit from them for the purposes of participation at the auction.

REINSW's position

While we applaud cost-efficient means of supplying purchasers with accurate and relevant information on a property, REINSW has a number of concerns.

First, given that the vendor is required to obtain the reports, will they be tainted in the eyes of a purchaser? Consequently, will the purchaser acquire their own

reports? Second, how will the purchaser, who is not a party to that contract between the vendor and the report provider, recover losses if the report is defective?

This is by no means an exhaustive discussion on the issue. REINSW will be at the forefront of the debate and will keep members informed of developments.

Embracing technology

On a lighter note, the old adage 'teaching an old dog new tricks' aptly describes my transition into the digital age. I've put down my fountain pen – a keepsake I've used since graduating from law school – in favour of a Facebook page, regular Twitter posts and video updates.

Visit REINSW's Facebook page at www.facebook.com/REINSW, follow us on Twitter at www.twitter.com/REINSWnews or view my latest video update at www.reinsw.com.au/ceoupdate.

Tim McKibbin
REINSW CEO

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Disincentive to development

Government taxes and the cost of major infrastructure upgrades could mean that prime land in NSW will remain undeveloped in 2010 and beyond, according to John Starr, founder of Starr Partners.

“Thousands of hectares have been released in and around Western Sydney, but developers have done nothing to move forward because they can’t afford the fees and taxes,” he says. “High council and government fees for



John Starr,
CEO Starr Partners

developers are pushing up prices for new housing well above existing stock, making it commercially unfeasible for developers to enter, or remain in, the market.”

Developers are also forced to foot the bill for infrastructure and service upgrades to water, electricity, sewerage, gas and civil works before they can begin construction, says John, which adds up to \$15,000 in expenses per lot.

“This is the biggest issue affecting the NSW property market,” adds John.

Point Piper mansion hits the market



Altona in Point Piper, Sydney could set a record for the most expensive sale, on the market for \$45 million.

A waterfront house in the east Sydney suburb of Point Piper is on the market for \$45 million. If sold, the property could set a record for the highest price paid for a Sydney home.

Known as ‘Altona’, the eight-bedroom, seven-bathroom house with harbour views is being managed by Ray White Prestige Double Bay. The property last sold in 2002 for \$28 million – a record at the time.

Ivan Ritossa, Global Head of Foreign Exchange for Barclays Capital, and his wife Marina, currently hold the record, having paid \$45 million in 2008 for a beachfront home in Vaucluse.

The highest price paid for a home this year was \$26.75 million for a villa in Vaucluse. In 2009, Le Manoir at Bellevue Hill was the most expensive sale, bought for \$23 million by Lachlan and Sarah Murdoch.



Portal launches social media campaign

Property portal realestateVIEW.com.au and digital agency Citrus have begun a social media campaign to promote the site and connect with new customers.

The Hottest Property on the Market campaign allows consumers to vote for hot properties through their Twitter accounts and go in the draw to win weekly prizes.

Teresa Sperti, Head of Marketing and Technology at realestateVIEW.com.au, believes social media is the ideal platform for people to talk about and share their experiences of the property market.

"The excitement of finding the perfect property is something people find hard to contain – this campaign capitalises on that hype and allows people a simple mechanic to share and win," Teresa says.

The campaign will be supported by email marketing and Facebook advertising.

Country living on show



The Country and Regional Living Expo attracted Sydney residents contemplating a sea- or tree-change.

The Country and Regional Living Expo in August gave potential sea or tree-changers in Sydney the opportunity to learn more about what it's like to live in regional and rural communities.

Around 50 exhibitors from across NSW promoted their towns at the Rosehill Gardens Grand Pavilion, Sydney.

Visitors spoke to council members from the various regions, met local real estate agents, sampled local produce and even took home a copy of the local newspaper.

Sydney good value for expats

Australian cities offer value for money for expatriates in the Asia-Pacific, according to investment firm Mercer Worldwide.

The Cost of Living Survey 2010 found cities in Australia were competitive destinations for global workers compared to other cities in the region.

Sydney was ranked the 24th most expensive city to live in, falling well behind other Asia-Pacific business capitals Tokyo (2nd), Osaka (4th), Hong Kong (8th) and Singapore (11th).

The ranking is based on the comparative cost of more than 200 items, including housing, transport, food, clothing and entertainment.

Other Australian cities that made the list were Melbourne (ranked 33rd), Brisbane (55th), Perth (60th) and Canberra (74th).

THE COST OF LIVING SURVEY 2010

Sydney ranked the **24th** most expensive city to live in.

Luanda, Angola **1st**

Tokyo **2nd**

Hong Kong **8th**

Singapore **11th**

Melbourne **33rd**

Brisbane **55th**

Perth **60th**

Canberra **74th**

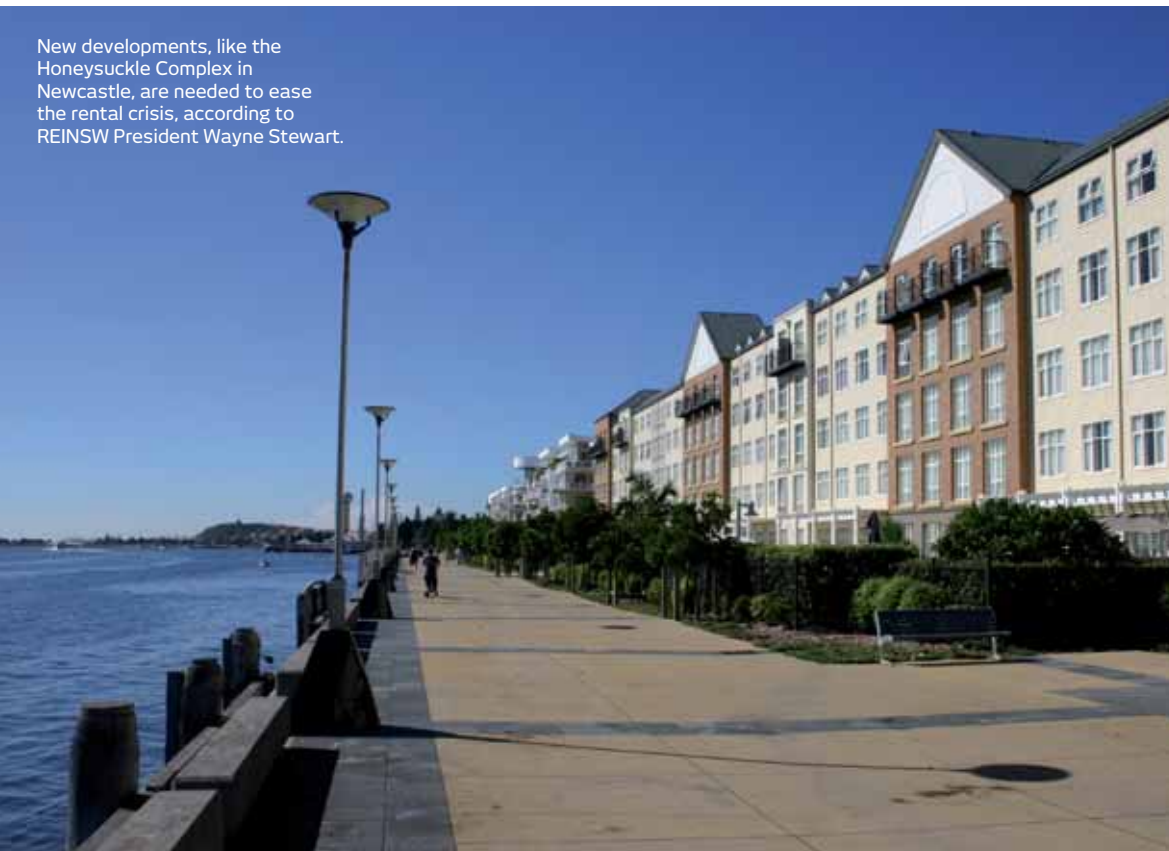


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New developments, like the Honeysuckle Complex in Newcastle, are needed to ease the rental crisis, according to REINSW President Wayne Stewart.



ISTOCK

Rising rents in the Hunter

Rents in the Hunter region have almost doubled in price over the past five years, according to new figures.

The announcement follows a *Newcastle Herald* report claiming that the Hunter region's

affordable and public housing waiting lists had blown out to more than 6000 applicants.

“Low-income earners are struggling to afford rising rents,” comments REINSW President Wayne Stewart.

He believes the rental crisis in Newcastle and across the state is to blame.

Mr Stewart adds that government incentives to bring investors into the market could help ease the crisis.

McGrath expands into Queensland

McGrath Estate Agents is continuing its expansion into Queensland with a second office opening on the Gold Coast.

McGrath CEO John McGrath says he is serious about increasing his market share in southeast Queensland and would use the McGrath Surfers Paradise office as a base for expansion. For this reason, the office located in Broadbeach will be owned by the company, rather than operating as a franchise.

Mr McGrath told *The Australian*: “We are believers in ‘if you are not growing, you are dying’.

“You have to take advantage of the momentum ... if you grow intelligently, then growth is an incredibly healthy state for a company to be in.”



John McGrath

Commercial property snapped up by small investors

Small property investors are reentering the commercial market, accounting for \$23 million worth of sales at one auction in Sydney in June.

CB Richard Ellis selling agent Frank Oliveri says: “There are key areas such as Cabramatta, Campsie, Eastwood and those sorts of retail precincts that have better consumer demand and people are willing to spend higher prices for smaller yields.”

Fast-food shops and small retail outlets such as convenience stores, chemists and newsagencies are proving popular among these property investors.

REINSW IN THE MEDIA

The *Residential Tenancies Act* and underquoting property values were hot topics in the media this month. REINSW was there to comment on the issues.

Print

- In the *Northern Territory News*, REINSW CEO Tim McKibbin rejected proposals to compel real estate agents to reveal the price range given to the seller on agency agreements.
- REINSW President Wayne Stewart voiced concern over declining vacancy rates in the *St Marys Star*.
- The *Mosman Daily* reported on how REINSW was effective in influencing changes to the Residential Tenancies Bill.

Radio

- REINSW representative Charles Hegyi commented on the increase to deposits for first homebuyers on ABC Illawarra.
- On NBN Central Coast, REINSW Board member Brett Hunter commented on the *Residential Tenancies Act*.
- Wayne Stewart gave his view on statistics showing investors are getting back into the property market on 2SM Sydney.

JUNE MEDIA ROUND UP

- 4 television spots
- 12 radio spots
- 35 print articles
- 9 website stories

The total audience reached in Australia was 2.2 million. View all of REINSW's recent media coverage at www.reinsw.com.au



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Protection & Collection ... go with the strength are your landlords' properties protected?



Christopher Russell & Associates

Chris Ewart and Russell Turner, Directors
1161 Burke Road, Kew Victoria; 72a Doncaster Road, Balwyn North Victoria

"Protection and Collection provides our office excellent results in recovering outstanding debts, whether it be in the property management department or sales department. **More than 75% of our rental portfolio is protected** under one of the levels of protection provided by Protection and Collection, and our office enjoys the benefits of debt collection in the sales department. Protection and Collection form an integral role in the facilitating of efficient and effective debt collection in our office. We **highly recommend** real estate agents to consider these services and products for their office."

LJ Hooker Sunnybank Hills

Narelle Weiss, Department Manager
25 Pinelands Rd, Sunnybank Hills Queensland

"The results have **exceeded our expectations dramatically**. We have experienced a 45% reduction in our rent arrears, **stress-free** Warrant of Possessions with no outgoing costs for the owner, ex-tenants from as far as 12 months ago paying off their debts and, most importantly, **happy landlords** and staff. We would highly recommend the services of Protection and Collection Services to all real estate agencies and landlords – you won't be disappointed!"

LEVELS OF PROTECTION AND DEBT COLLECTION FOR COMMERCIAL, RESIDENTIAL & HOLIDAY ACCOMMODATION

Raine & Horne Beenleigh

Jill Eisenhuth, Associate Director
109 City Road, Beenleigh Queensland

"**One call does it all**. Protection and Collection attend the warrant – liaise with police, tenant and the locksmith. Protection and Collection save our office time by taking responsibility of the storage of tenant belongings if necessary, freeing up staff for more productive matters. The company also provides a cost-effective process for recovering outstanding tenancy debts for our landlords. **The results speak for themselves.**"



DCK Real Estate

Josie Stewart, Director
35 Queen St, Bendigo Victoria
2006/07 REIV – The Age Residential Property Manager of the Year

"I just wanted to pass on our thanks and convey how happy we have been dealing with your company. The 'Level 3' cover has been well received by our clients and we truly believe that it offers **fantastic value** for money. We have found that you and your staff provide caring and genuine service, something that my property managers and I **truly appreciate** and congratulate you on."

Ian Ritchie Real Estate

Sherryn Orr, Senior Property Manager
541 Kiewa Street, Albury NSW

"The Commercial Protection that we offer our landlords has been **extremely successful** in the recovery of outstanding debts and outstanding management fees in our Commercial Leasing Department. I recommend this product to all Commercial Leasing Agents. Dealing with a **professional and dedicated** team at Protection and Collection has certainly provided results for our office."

Access all areas

In an effort to improve housing accessibility and living standards for young families, the aged and the disabled, the Federal Government launched voluntary building standards in July.



The voluntary guidelines recommend wider doorways and corridors to accommodate prams and wheelchairs

Leaders in the housing industry, disability sector and community groups have agreed to an aspirational target of 2020 for all new Australian houses to be built to Livable Housing Design standards.

The voluntary standards are the outcome of the National Dialogue on Universal Design, convened in 2009 by Parliamentary Secretary for Disabilities Bill Shorten.

Design features

To comply with the guidelines, homes will include simple design features to improve access. They include: a safe pathway from street to door; at least one level entrance to the building; wider doorways

and corridors to accommodate prams and wheelchairs; and at least one bathroom on ground level with a step-free shower and walls reinforced to support grab railings.

Private and public housing will be classified under a ratings system of Silver, Gold or Platinum, depending on how well they meet the standards. It is expected that up to 30,000 homes (or 20 per cent) will comply within three years.

Population trends

Between 1981 and 2003, the number of people living with a disability in Australia increased from 1.9 million to 3.9 million, according to the Australian

Bureau of Statistics (ABS).

Due to the ageing of the Australian population, the ABS estimates that number will continue to grow during the first half of the century.

Mr Shorten says that houses built under Livable Housing Design guidelines could be adapted to meet the changing needs of generations of residents over their lifetimes. "Families with young children, anyone who suffers a temporary injury, or has a friend with disability to stay the night, will also benefit from Livable Design," he says.

"[They] are easier to live in, can be adapted more cheaply and will be easier to sell."

Innovative partnership

The Gillard Government has committed to investing \$1 million over four years to drive an "innovative partnership with leaders of the construction and property sectors" and promote the Livable Housing Design standards.

Developing the guidelines was an excellent example of collaboration between the industry and the disability sector, says Property Council CEO Peter Verwer.

"Livable Housing has great potential for the future. It has low costs and huge returns both for homeowners and the broader community," he says. ♦

Better together

REINSW has partnered with Westpac Banking Corporation to offer members financial services tailored to real estate professionals.



ISTOCK

Early in 2010, REINSW formalised an agreement with Westpac Banking Corporation, in which Westpac becomes REINSW's major banking partner. Jason Roach, National Industry Leader – Real Estate at Westpac, says the move aims to “support and grow the real estate profession”.

“We recognise that the property industry is a key industry to the Australian economy, and [Westpac] wants to make you more successful,” he says.

According to Jason, the bank is collaborating with

REINSW to develop financial solutions tailored to real estate professionals. Westpac is also nurturing its branch network of real estate specialist bankers.

“We’ll bring our knowledge together with the expertise of REINSW to bring agents solutions that really help,” he explains.

“Like REINSW, Westpac has the ability and desire to provide products and services that make it easier for real estate agencies to do business with more certainty.”

“The collaboration is a major step forward in ensuring REINSW members have the best, and most relevant, banking services available to them.”

REINSW CEO Tim McKibbin looks forward to working closely with Westpac to better meet the banking needs of real estate professionals.

“The collaboration is a major step forward in ensuring REINSW members have the best, and most relevant, banking services available to them,” he says.

Tim adds that REINSW will continue to seek partnerships that offer benefits to its membership.

“It is an ongoing priority of REINSW to seek out opportunities that will secure a certain level of presence and service for our members,” he says. ♦

Year in review

Bevan McLeod from Deloitte explains key data collected through Real Business First – the essential benchmarking tool.

Developed by Deloitte, in conjunction with REINSW, Real Business First is embarking on an exciting new chapter in supporting Australian real estate agents better manage their businesses. Recently completing its first year of operation, let's look back at the performance of Real Business First subscribers for the financial year ended 30 June 2010.

Residential sales volume and velocity

For the three months ended 30 September 2009, the average value of settled residential sales was \$5,009,328, with an average of 11.5 sales per month. The three months ended 31 December 2009 saw a slight cooling of activity before returning to a similar level in March 2010 and June 2010. This is also reflected in the average number of days a property spent on market.

Operating surplus

This cooling of sales volume and velocity had a direct impact on the operating surplus of agencies. Better performing agents were able to maintain their surplus at or around 20 per

cent of total revenue. Poorer performing agents dropped as low as two to three per cent, or in some cases into the negatives. But operating performance soon picked up through stronger volumes into the March and June quarters, and operating surpluses returned normal levels (or above).

Expense control

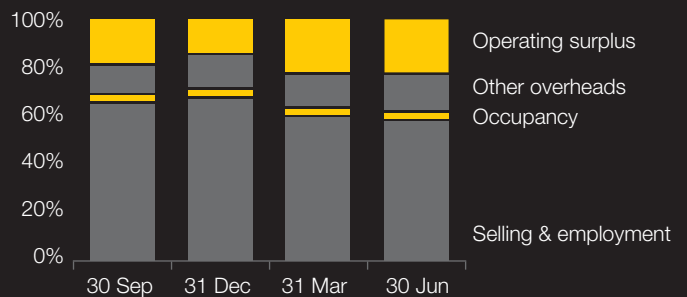
The secret to success during weaker months in the December quarter was expense control. Better performing agents reduced their selling and employment expenses and their overheads.

This was reflected in better recoveries of vendor paid advertising as well as reigning in spending on expenses such as:

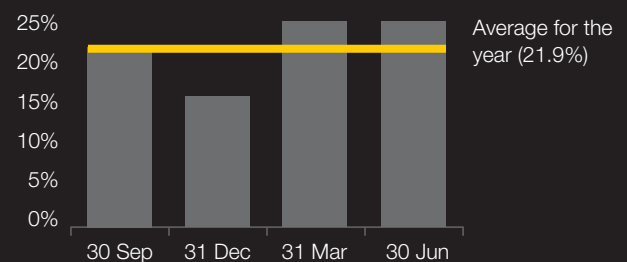
- entertainment (down 10.9 per cent for the year)
- internet (-20.4 per cent)
- leasing charges (-21.3 per cent)
- office supplies (-7.2 per cent)
- staff amenities (-64.7 per cent).

Continuing this control through to the end of financial year has ensured that the ground lost in the December quarter was regained in the March and June quarters.

Expenses and operating surplus (% of revenue)
Average for the three months ended 30 June 2010



Operating surplus (% of revenue)
Average per quarter and for the year ended 30 June 2010



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COMING SOON

Real Business First will be introducing Quarter and Year-to-date reporting as well as dedicated performance measures for rural property sales and short-term accommodation providers. We've also streamlined the submission process, so we can automatically submit your mapped revenue and expense data – no more data uploads!

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Strategies for SUCCESS

BY GAYLE BRYANT

Improve your business practices to achieve excellence with these insights from a recent survey of real estate professionals.

Greg Vincent, Director of Websites 4 Real Estate, produced a survey to help agents gain a better understanding of how market conditions and marketing strategies are impacting their commissions.

The Future of Agents Commissions 2010 survey revealed that 65.8 per cent of respondents believed discounting was having the biggest impact on their commission rate this year. But one of the more interesting statistics to come out of the survey, according to Greg, is that less than two per cent of agents believed their commission rate would be affected by the internet.

"I found this surprising considering the way the internet impacts people on a daily basis," he says.

"Since many agents are now offering a similar marketing stencil, consumers must be finding it harder to differentiate between them. Agents should be looking to innovate to stand out and secure more listings, rather than match discounters."

1 DISCOUNTING

Be viewed as the best quality provider of a service rather than the cheapest.

REINSW CEO Tim McKibbin says that when it comes to commissions, agents can charge what they like but they need to be mindful of the significant costs associated with administering their office and offering a quality service that is compliant with their statutory obligations.

"This is a personal comment, but I feel agents would attract more business if they were viewed as the best quality provider

of a service rather than the cheapest," he says.

"This applies to service providers in any other industry – the market tends to support better quality rather than cheap service."

There are a number of ways agents can improve their business without resorting to discounting, Tim adds. He offers the example of effective internet marketing.

2 ONLINE TOOLS

Regularly update your website and turn it into a tool that converts property listings into sales.

Despite their feelings about the web, most respondents said they would be open to learning simple internet marketing strategies.

Julie Ryan is a social networking specialist who advises in this area. She says many agents use their website as simply a place to list properties, but with just a little bit of effort can turn it into a tool that converts those listings into sales.

"One thing that agents need to do with their listings is refresh

them if they are not selling," Julie says. "Once a buyer has seen a property on the web and dismissed it, they are unlikely to go back to it. To address this, agents should put up new photos and a different description."

She says this doesn't mean getting a new set of photos taken. Rather, think smart from the outset by asking the photographer to shoot the property from various angles as well as using different methods of lighting.

3

ADDED VALUE

Provide useful information to consumers, such as lifestyle and location data.

Julie believes that agents should also make their website an excellent source of information about their local area.

“Instead of just property information, agency websites should have lifestyle and location data,” she says.

“There is a great tool called walkscore.com that agents can include on their websites. It tells people how ‘walkable’ a neighbourhood is, including how

near shops and schools are to a particular property.”

Julie adds that agents often miss opportunities by designing websites to show how clever they are rather than to help consumers. “The site has to be useful,” she says.

“Would-be vendors often check out real estate sites to see if the agents are any good – so a website is a great place to showcase their knowledge.”



WEBSITE INSPIRATION

www.berkeley.com is a US-based real estate website that includes detailed information about an area – down to the type of coffee you can buy at certain cafes.

PayWay. Reports your rents and other payments as fast as it collects them.

Why let anything stand in the way of cash coming into your business? That's where your business needs PayWay. With its six handy payment collection modules, PayWay ensures your tenants and suppliers always have the easiest and most attractive payment options, including recurring billing, online and phone payments and more.

To find out more:

Ask Jason Roach, National Industry Leader - Real Estate

Call 0448 455 556

Email realestate@westpac.com.au



THE FUTURE OF AGENTS COMMISSIONS 2010 SURVEY

DISCOUNTING

65.8%

of respondents believed discounting was having the biggest impact on their commission rate this year.

TRAINING

36.2%

spend more than \$2000 per year on training.

ADVERTISING

55.2%

of agents spend more than \$1000 to market or advertise a listing.

50%

of enquiries come from the internet and 50 per cent from other forms such as print, signboards and people calling agents on spec.



ISTOCK

4

PLANNING

Know precisely what you want to achieve so you know where to concentrate your efforts.

Annette Ferrari is a trainer for REINSW. She says the biggest obstacle to success is when agents don't work to a plan.

"Good salespeople ensure their week is structured," she says. "They have a plan for their day/week/month, they manage interruptions and are systematic. If they don't have a plan then their practices become haphazard and reactive.

"You must know precisely what you want to achieve," she continues. "That way you know

where you have to concentrate your efforts."

While agents may know their sales targets, says Annette, many don't know how to reach them. "Journeys need maps, and the map in this case is a structured week outlining the steps to reach the goals."

She adds that to be successful you need to know your numbers and your ratios so that you have clear direction. Otherwise, you fritter your time away on a confusion of conflicting priorities.

5

TRAINING

Invest in training to improve staff loyalty, engagement and retention.

Training is an area that the Future of Agents Commissions 2010 survey shows is lacking among real estate agents.

Only 36.2 per cent spend more than \$2000 per year on training. But Annette believes training is important for a number of reasons, including staff loyalty, engagement and retention.

"Agents put little into training but still expect success," she says. "I think a mix of training elements works best – internal, informal, external or self-directed. External

training also provides the bonus of networking with other agents, and the learning experience can be very rich when you gain an appreciation of how others undertake their practices."

She believes training has a strong impact on employee engagement. "Research on staff retention reveals the number one reason why people leave a company is because they aren't being trained," she says. "Wages is the 12th reason. This shows that staff want to be challenged and developed."

6

ADVERTISING

Use print and online advertising in tandem for an effective media campaign.

The Future of Agents Commissions 2010 also found that 55.2 per cent of agents spend more than \$1000 to market or advertise a listing.

“Some agents indicated that sellers are becoming more reluctant to pay for print advertising, believing that most enquiries are coming from online property portals,” Greg says. “I tell agents that they should dig a little bit deeper and ask all of their enquiries where they

first saw the property – often they’ll find it was first seen in the newspaper and followed up with internet research.”

Online advertising strategies should work in tandem with print, says Julie. “Both media are effective in a campaign.”

“Statistics will vary from area to area, but if someone only advertises online then they only get online enquiries.” She says, typically, 50 per

cent of enquiries come from the internet and 50 per cent from other forms such as print, signboards and people calling agents on spec.

“One medium should not be used in isolation,” Julie says. “When an agent is putting an offer in front of a seller, they should be able to say that they have fully tested the market. They can’t say that, in all honesty, if they have not used all available advertising vehicles.” ♦

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agents.directconnect.com.au

1300 664 715



REINSW celebrates 100 years

Building was on the move and real estate promised to be buoyant again in the 1970s. But the collapse of the market in 1973 had widespread results.

Property sales bubble bursts

1973 was the peak year of the property boom in this period. Home units and villas were particularly sought after. Such a spectacular boom brought in its wake an equally spectacular crash.

Finance drained away from the market in a steady stream and large speculating developers saw their money drain away too.

The Whitlam Labor Government intervened with increasing vigour in the market in an attempt to control the inflow of funds from overseas. On 9 September 1973 it announced that government securities would be sold on the open market and bond rates rose rapidly.

Finance drained away from the market in a steady stream and large speculating developers saw their money drain away too. In the following years, several finance companies and developers collapsed or went into liquidation.

Insight into agency business

REINSW engaged the University of New England to conduct an income and managerial survey among members of REINSW to gain an overall picture of real estate agency business, its income and overheads.

The Inter-Office survey revealed a great deal about the conduct and success of agency business in NSW. Key findings included:

- Agents were caught in a cost squeeze from 1970 to 1974, when overheads such as sales staff costs rose by 148 per cent, office staff by 118 per cent and general overheads by 100 per cent.
- Gross incoming fees rose 107 per cent.
- Principals of firms worked 48 to 49 hours per week on average, for an income that ranged from less than \$4500 per annum for one third of offices to \$18,929 for the top third.
- City offices gave the best return per Principal.
- Large turnover was the key to profitability.

100 years

The seventh decade 1970 to 1979

1970

- Bob Hawke is elected ACTU President.

1972

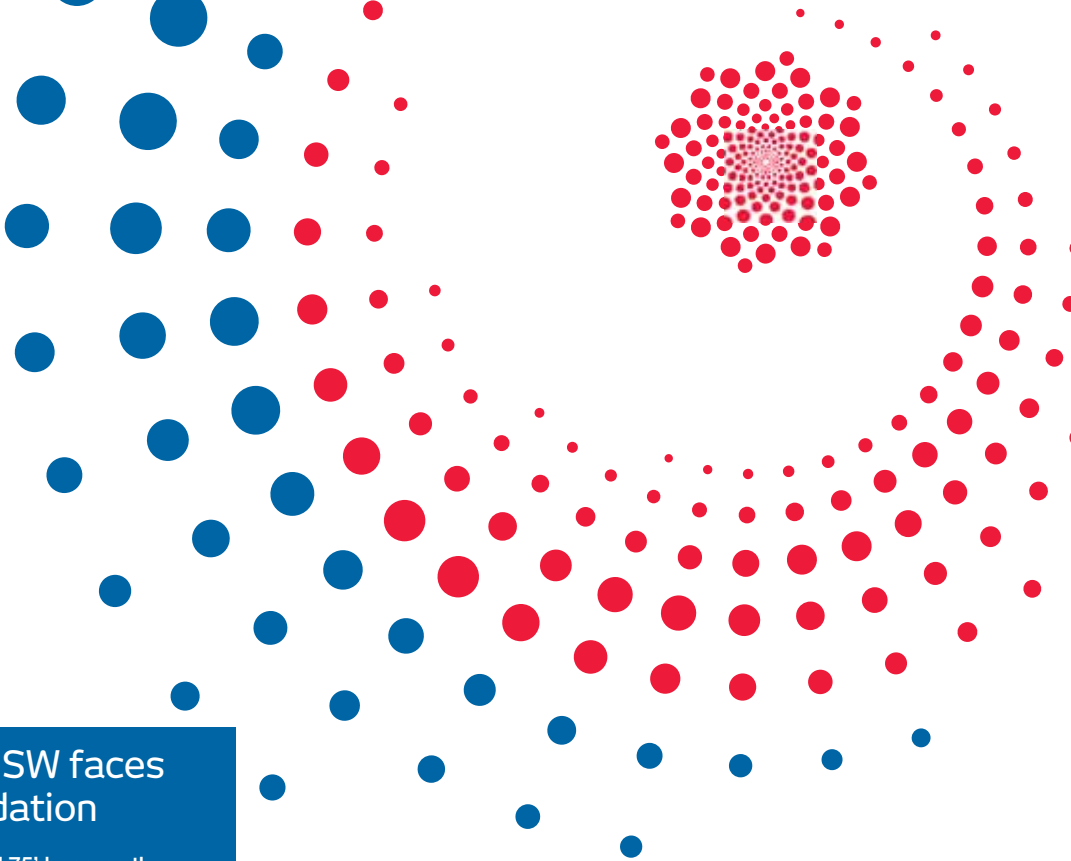
- Joan Crosland becomes the second woman to become Branch President of REINSW.
- FIABCI (The International Real Estate Federation) Congress is held in London.

1973

- Raine & Horne moves into franchising, with offices at Crows Nest and Bondi Junction.

1974

- REINSW engages the University of New England to conduct the Inter-Office survey of members.



The rental crisis

The rental market changed from a position of relative stability to a state labelled 'rental crisis'.

While the stock of private dwellings available for letting was increasing, it didn't keep pace with the increasing number of households seeking rental accommodation. REINSW blamed the crisis on an increased number of people who could not afford to purchase a house due to rises in interest rates.

The Whitlam Government diverted funds into public sector rental housing to avert the social costs associated with high rents.

REINSW faces liquidation

'Survival 75' became the theme of the year 1975.

So serious was the situation that REINSW itself faced insolvency. Inflation and relatively high interest rates had eaten into the value of membership subscriptions.

Institute courses were cut back severely as there were too few students to make them viable and a substantial financial loss would have been incurred by REINSW.

Survival of REINSW was achieved by an increase in subscriptions and by a voluntary interest-free loan by members.



In 1973, the FIABCI (International Real Estate Federation) Congress was held in Sydney.

The information on this page has been drawn from *The Sign of the Waratah* – a history of the Real Estate Institute of New South Wales by Terry Kass.

1975

- REINSW membership numbers rise to 3372 (up from 2523 members in 1970).
- The Trade Practices Commission is established.

1976

- Demand for commercial buildings and small investments valued up to \$500,000, especially flats, moves upwards.

1977

- Legislation establishing the Rental Bond Board is passed.

1978

- A study reveals that house prices rose by a monthly average of \$329 in the upper north of Sydney, by \$257.70 in Manly-Warringah, by \$213 in Canterbury Bankstown and by \$185.50 in the outer western Sydney zone.

1979

- The vacancy rate in Sydney is 1.4 per cent.

Presidents

RW Frewin
1970-1971

MB Sewell
1972-1973

RL Jackson
1974-1975

NG Tucker
1976-1977

HE Morrison
1978-1979

We need your help! If you have photos of members, details or memories of festive events, or information about interesting REINSW happenings or milestones, we'd love to hear from you. Email centenary@reinsw.com.au

Business tools

Check out the following products for real estate professionals designed to make your business more efficient.

OUTDOOR SIGNS IN THE DIGITAL AGE

Live Board, a digital outdoor sign, is launching in October 2010. It allows agents to display and update the latest information about a property, including pricing data and inspection times, at the point of sale.

Nielsen research reveals that visiting a property is the most important decision-making step for potential buyers. With a dynamic and user-friendly interface, Live Board aims to improve the selling process for buyers, agents and vendors.

For more information or for a pre-order brochure visit www.liveboard.com.au

UNLOCK YOUR CASH FLOW

A growing number of agencies are now using business charge cards to extend their cash flow.

The American Express Business Card is a payment solution that increases cash flow by giving the holder access to funds that can be used to pay anything from large expenses to small everyday costs.

Designed specifically for small businesses, the card offers up to 51 days interest free and no preset spending limit.

Visit www.americanexpress.com.au/smallbusiness for more information.

DON'T WAIT FOR COMMISSIONS

Express Commission allows an agency to bridge the gap between sale and settlement by turning any earned but unpaid commissions into cash within four hours of an unconditional sale.

Up to 100 per cent of any one or more of an agency's earned but unsettled commissions will be paid in cash (less a reserve to cover fees). This service is available to agencies Australia wide.

To find out more about how Express Commission helps growing real estate agencies, call 1300 738 211 or visit www.expresscommission.com.au

Want your phone bill to help offset your REINSW membership fee?

Earn a monthly rebate off your bill of up to **\$98** (EX GST)

Great call rates exclusive to REINSW members

Choose M2 Telecom for all your business needs:

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To receive a no-obligation proposal demonstrating the savings you can make on your existing telecommunications services contact **Aaron Dodds - M2 Account Manager** on 0408 481 048 or email aarond@phoneandfly.com.au

REINSW is proud to present M2Telecom as their preferred telecommunications supplier.



Keep learning

**REINSW
TRAINING
LIFT-OUT**

Residential Tenancies Act 2010

REINSW is keeping members informed of developments around the *Residential Tenancies Act*.

Free sessions for REINSW members explaining the *Residential Tenancies Act 2010* were held around NSW in July and August.

REINSW senior property management advisor and trainer Tim Anderson explained the new law and provided examples of what agents can expect when the Act commences. REINSW expects that the NSW Government will release the draft Regulation shortly and will continue to lobby for changes on behalf of members.

Following the initial consultation draft of the Act, vigorous lobbying by REINSW has prevented or modified some proposals. Changes include:

- deletion of a tenant's absolute right to break a fixed-term tenancy agreement for a 'break fee'
- allowing agents to make certain rent receipts available for collection, rather than mandating posting
- deletion of some additional penalties against agents for non-compliance with the Act.

Minor renovations, alterations or additions
The provisions that allow a tenant to make minor renovations, alterations or

additions to the property have been tightened. The new Act provides these limitations.

A tenant can't:

- make structural changes
- paint the property internally or externally
- make changes that are not reasonably capable of being rectified, repaired or removed
- make alterations that are not consistent with the nature of the property
- make changes prohibited under any law.

'No grounds' termination

The new Act increases the period of notice required to be given to tenants in a periodic agreement from 60 days to 90 days. In return, the *Swain's* case doctrine has been eliminated and the CTTT must make a termination order, without reference to the circumstances of the case, if a valid termination notice has been given and the tenant has not vacated the premises.

However, once served with a termination notice, a tenant can give vacant possession at any time after that, and only pay rent to the date vacant possession is given. A tenant's right to give 21 days notice during the periodic term remains.

NEW TO THE ACT

A number of concepts are new to the 2010 Act. Some examples are:

Health and safety

There is now a specific provision in the Act requiring a landlord to comply with the landlord's statutory obligations relating to the health or safety of the residential premises. (e.g. rules for swimming pools under the *Swimming Pools Act 1992*).

Bonds

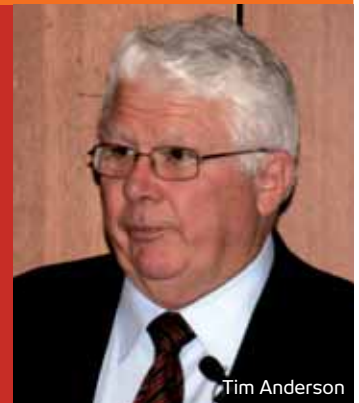
Regardless of whether a property is furnished or unfurnished, a bond cannot exceed four weeks' rent as at the commencement of the tenancy. There is no provision for a top-up of bonds.

Water usage

Landlords can only recover water usage charges from the tenant if the premises contain water efficiency measures as prescribed by the regulation. Details of these measures were not released at the time this edition went to print.

Sub-letting

Tenants, in certain circumstances, have a greater ability to sub-let part of the premises or bring in a



Tim Anderson

co-tenant. A landlord can't unreasonably withhold consent to these requests.

Service of notice

New methods of service allow a notice of termination to be served personally at the residential or business address of the tenant, by post, by fax or by placing it in an envelope addressed to the tenant and leaving it in the mailbox at the tenant's residential or business address. Further, all co-tenants can now be served simply by serving any one of the co-tenants.

MISSED THE SESSION?

To view a video of the *Residential Tenancies Act 2010* free member session visit www.reinsw.com.au/RTAfreeession


REINSW Training Calendar

SEPTEMBER/OCTOBER 2010

SEPTEMBER

MON	TUE	WED	THU	FRI	SAT	SUN
1						
<p>WANT TO KNOW MORE?</p> <p>You can find out more about all of our courses by going to www.reinsw.com.au – simply click on Course Schedule in the Training menu.</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>	<p>NORTHERN BEACHES DIVISION Novice Auctioneers Competition</p>			
2						
3						
4						
5						
6						
<p>EAST DIVISION Novice Auctioneers Competition</p>	<p>NEPEAN, HAWKESBURY AND BLUE MOUNTAINS DIVISION Novice Auctioneers Competition</p>	<p>PENRITH Property Management Forum (3.00pm-5.00pm)</p>	<p>TWEED HEADS CPD Creating impact and influence (9.00am-1.00pm)</p>	<p>ALBURY DIVISION Novice Auctioneers Competition</p>		
<p>SYDNEY CPD Creating impact and influence (9.30am-1.30pm)</p>		<p>SYDNEY Forums @ 4 (4.00pm-6.00pm)</p>	<p>MILDURA CPD Creating impact and influence (9.00am-1.00pm)</p>			
		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>				
7						
8						
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19						
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
<p>CANBERRA CPD Commercial Leasing Practice (9.00am-4.00pm)</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>	<p>NORTHERN BEACHES Property Management Forum (8.00am-10.00am)</p>			
<p>SYDNEY CPD Steps to listing success for property managers (9.30am-1.30pm)</p>		<p>CANBERRA CPD Green Leases (9.00am-1.00pm)</p>	<p>COFFS HARBOUR CPD Creating impact and influence (9.00am-1.00pm)</p>			
20						
21						
22						
23						
24						
25						
26						
<p>WOLLONGONG Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
<p>ST GEORGE & SUTHERLAND SHIRE DIVISION Novice Auctioneers Competition</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>				
<p>SYDNEY CPD Prepare for selling like never before (9.30am-1.30pm)</p>		<p>WAGGA WAGGA CPD Rural Real Estate (9.00am-1.00pm)</p>				
27						
28						
29						
30						
<p>SYDNEY Real Estate Licensing Course (full time) – Week 1 Market Property, Agency and Self – 5 days</p>						
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
<p>INNER WEST DIVISION Novice Auctioneers Competition</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>	<p>NEWCASTLE CPD Creating impact and influence (9.00am-1.00pm)</p>			
<p>SYDNEY CPD An agent's guide to tax & property investment (9.30am-1.30pm)</p>						

OCTOBER

MON	TUE	WED	THU	FRI	SAT	SUN
				1	2	3
<p>CPD workshops – go to www.reinsw.com.au for course descriptions and prices</p> <p>Course in Property Practice (full and part time as indicated). Price includes REINSW Student Membership</p> <p>Licensing Course (full and part time as indicated)</p> <p>Forums and Divisional meetings</p> <p>Novice Auctioneers Competition</p>						
4 PUBLIC HOLIDAY	5	6	7	8	9	10
<p>SYDNEY Real Estate Licensing Course (full time) – Week 2 Real Estate Sales – 4 days</p>					<p>SYDNEY (part time) Course in Property Practice commences (9.00am-5.00pm)</p>	
<p>SYDNEY CPD An agent's guide to tax & property investment (9.30am-1.30pm)</p>		<p>PARRAMATTA CPD Prepare for selling like never before (9.00am-1.00pm)</p>				
		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>				
11 SYDNEY Real Estate Excellence Conference – 2 days	12	13	14	15	16	17
<p>SYDNEY Real Estate Licensing Course (full time) – Week 3 Managing Agency Finances – 5 days</p>					<p>SYDNEY (part time) Course in Property Practice continues (9.00am-5.00pm)</p>	
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
<p>BOWRAL CPD The ABC of Compliance (9.00am-1.00pm)</p>		<p>YASS CPD The ABC of Compliance (9.00am-1.00pm)</p>		<p>QUEANBEYAN CPD The ABC of Compliance (9.00am-1.00pm)</p>		
<p>TAREE CPD Creating impact and influence (9.00am-1.00pm)</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>				
18	19	20	21	22	23	24
<p>SYDNEY Real Estate Licensing Course (full time) – Week 4 Residential Property Management – 5 days</p>					<p>SYDNEY (part time) Course in Property Practice continues (9.00am-5.00pm)</p>	
<p>BATHURST CPD Creating impact and influence (9.00am-1.00pm)</p>		<p>SYDNEY CPD The ABC of Compliance (9.30am-1.30pm)</p>		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>		<p>NEWCASTLE CPD An agent's guide to tax & property investment (9.00am-1.00pm)</p>
25	26	27	28	29	30	31
<p>SYDNEY Real Estate Licensing Course (full time) – Week 5 Agency Administration and Recruitment – 5 days</p>					<p>SYDNEY (part time) Course in Property Practice concludes (9.00am-5.00pm)</p>	
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>				

CREATING IMPACT AND INFLUENCE

12 CPD points

Real estate practice is about winning the business. Vital to securing new business is the ability to create impact and only then will you gain the ability to influence decisions, ensuring your success.

Sydney 7 September 2010

Tweed Heads 9 September 2010

Mildura 9 September 2010

Coffs Harbour 16 September 2010

Newcastle 30 September 2010

Bathurst 18 October 2010

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

2010 NOVICE AUCTIONEERS COMPETITION

Do you have what it takes to be an auctioneer? Enter now or come along to these exciting Divisional events and support local talent as they battle it out on stage and help raise funds for charity.

Northern Beaches Division 2 September 2010

East Division 6 September 2010

Nepean, Hawkesbury, Blue Mountains Division

7 September 2010

Albury Division 10 September 2010

St George & Sutherland Division 21 September 2010

Inner West Division 28 September 2010



TRAINER OF THE MONTH

David Oayda

David has been working in and around the property industry for more than 20 years.

He has a broad range of experience across a variety of fields including business management, asset management, property and strata management, residential, commercial and retail real estate, marketing methods, conducting feasibility studies, and highest and best land-use methods.

David's proven management and people skills provides an ideal background to facilitate the programs offered by REINSW.

He has been personally responsible for several landmark developments from inception to completion in Australia and the Middle East.

AN AGENT'S GUIDE TO TAX AND PROPERTY INVESTMENT

12 CPD points

Add greater value to your client relationships by being able to explain the tax implications of investing in property, and the relevant tax laws associated with appraising and listing property for sale or rental.

Sydney 28 September 2010

Sydney 5 October 2010

Taree 12 October 2010

Newcastle 21 October 2010

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

COURSE IN PROPERTY PRACTICE

12 CPD points

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

Sydney 13-16 or 27-30 September 2010 (full time)

Wollongong 20-23 September 2010 (full time)

Sydney 9 October 2010 (part time begins)

Sydney 11-15 or 25-28 October 2010 (full time)

Cost \$590 (includes free Student Membership)

RURAL REAL ESTATE: MAKING IT WORK FOR YOU

12 CPD points

This course will examine the contemporary challenges facing rural agents including the animal welfare and OH&S issues associated with preparing livestock for sale at saleyards. It will provide information on the National Livestock Identification System (NLIS), National Vendor Declarations (NVD) and other relevant legislation.

Wagga Wagga 22 September 2010

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

REAL ESTATE LICENSING COURSE (FULL TIME) – 5 WEEKS

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

Sydney 27 September 2010 (begins)

Cost \$3370 REINSW members /

\$4225 Non-members

THE LEASE AND THE LAW

12 CPD points

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.

Sydney 12 October 2010

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

PREPARE FOR SELLING LIKE NEVER BEFORE

12 CPD points

The successful conversion of a sale is largely dependent upon whether a potential buyer's experience with both the agent and the property is a positive one. Learn valuable skills to ensure that you present a professional, seamless and enjoyable service encounter.

Sydney 21 September 2010

Parramatta 6 October 2010

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

eLearning

Discover the flexibility of online learning

No time to leave the office to do your training? With REINSW eLearning you don't have to!

With a wide range of courses available, and REINSW staff and trainers just a click away, you will experience the ease of learning in your own environment.

Go to www.reinsw.com.au to find out more.



The background of the page features a series of concentric, overlapping circles in shades of blue and red, creating a dynamic, swirling effect. The circles are centered on the right side of the page and expand towards the left.

REINSW AWARDS 2010
excellence

the finalists

CONGRATULATIONS TO THE FOLLOWING REINSW MEMBERS WHO ARE IN THE RUNNING TO RECEIVE AN REINSW AWARD FOR EXCELLENCE.

The prestigious REINSW Awards For Excellence give official recognition to the property industry's top performers for their initiatives. Judged by an independent panel of industry experts, finalists and winners set the benchmark for professional standards and service in their specialist fields.

Our finalists represent excellence in service, creativity, determination, differentiation and commitment. They were selected for their achievements of the highest level in their category.

Winners will be announced at the REINSW Awards for Excellence Gala Dinner on Saturday, 9 October at the Sydney Convention & Exhibition Centre. To book your place, go to www.t1events.com

AUCTION MARKETING



Danny Grant
 Ray White Lower North Shore



Christian Payne
 Payne Pacific Real Estate



Eddy Piddington
 Cunninghams Property



Simon Pilcher
 McGrath Residential



Michael Rava
 McGrath Neutral Bay/Mosman

AUCTIONEERS



Damien Cooley
 Cooley Auction Services



Peter Matthews
 Ray White Lower North Shore



Charles Powell
 Cooley Auction Services



Edward Riley
 McGrath Residential

BUYERS' AGENT



Richard Harvey
 propertybuyer



Jacqueline Parker
 House Search Australia



Henry Wilkinson
 Homeseach Solutions

COMMERCIAL AGENCY
 - SMALL



Billicorp



m² Office Leasing



**Norwest Commercial &
 Industrial Real Estate**

COMMERCIAL AGENCY
 - LARGE



CB Richard Ellis



**Colliers International (NSW)
 Pty Ltd**

Sponsored by: Realcover

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Domenic Belmonte
Knight Frank



Gemma Pratt
CB Richard Ellis



Tracy Preston
Martin Morris & Jones Pty Ltd



Emily Wills
Jones Lang LaSalle

COMMERCIAL SALES & LEASING



Harry Bui
CB Richard Ellis



Kymbal Dunne
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David Mulligan
Shead Property

CORPORATE SUPPORT



Cassandra Fenwick
Leah Jay Property Management



Phillippa Kozey
Morton & Morton



Laura Oxenham
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Lesley Tiley
Norwest Commercial & Industrial Real Estate Pty Ltd

Sponsored by: realestateVIEW.com.au

INNOVATION



CB Richard Ellis



Cunninghams Property



Hills Commercial Real Estate



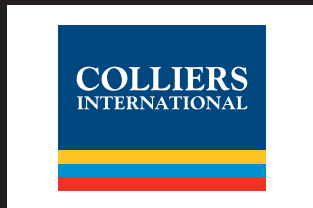
McGrath Residential



Real Estate Partners

Sponsored by: Land and Property Management Authority

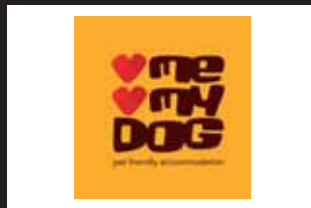
DELIVERY OF ELECTRONIC PROPERTY DATA



Colliers International (NSW) Pty Ltd

Sponsored by: Rent-A-Home

HOLIDAY AND SHORT TERM RENTALS



Real Estate Locations - Love Me, Love My Dog

Sponsored by: Westpac

**JOHN GREIG OAM
COMMUNITY SERVICE**



Maxine Baird
Baird Real Estate



Wayne Blackley
Blackleys Estate Agents



Damien Cooley
Cooley Auction Services



Sarah Lorden
Sarah Lorden Real Estate



Edward Riley
McGrath Residential

PROJECT MARKETING



Luke Berry
Thirdi Sales & Leasing



Kymbal Dunne
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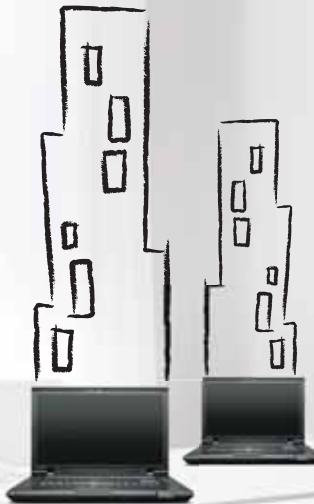
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Bright stars in real estate

REINSW members were commended for demonstrating excellence in real estate at the LJ Hooker Awards annual ball.

The LJ Hooker 'Night of the Stars' Awards ball was held at Royal Randwick Pavillion, Sydney on 3 July 2010. Hosted by LJ Hooker Managing Director Alan Lambert and Head of Residential and Network Performance Graeme Hyde, the prestigious event was attended by 815 people.

Regional winners

REINSW members Amanda and Chris Tate of LJ Hooker Taree claimed the coveted title of Franchise of the Year.

"This award is a testament to the hard work, focus and dedication of our team," says Amanda. "The support and loyalty we receive from our staff is one of the reasons why we have won this award – without them we would not be the business we are today."

Also from Taree, REINSW member Adam Stevenson was named State Auction Idol, while the LJ Hooker Taree office picked up the Top Community Relationship award and the 5th Top Country Office Income Earned award.

Wagga Wagga was another regional agency among the top achievers, taking the award for Best Business Growth Office.

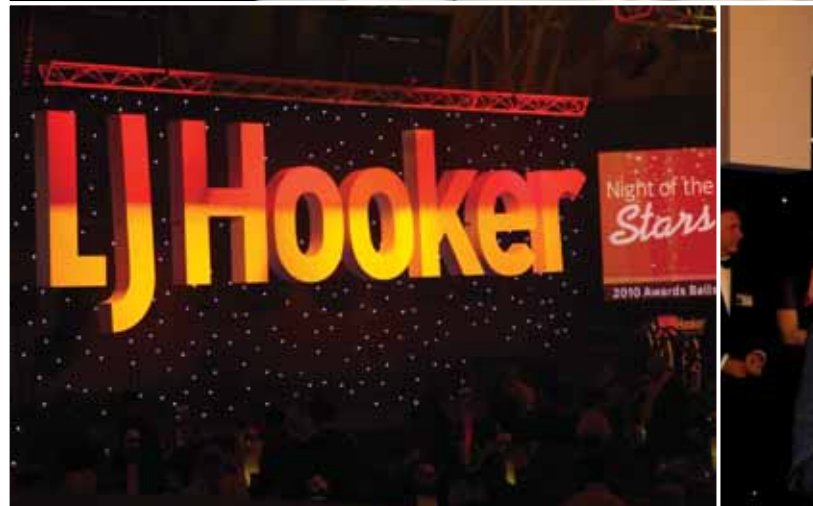
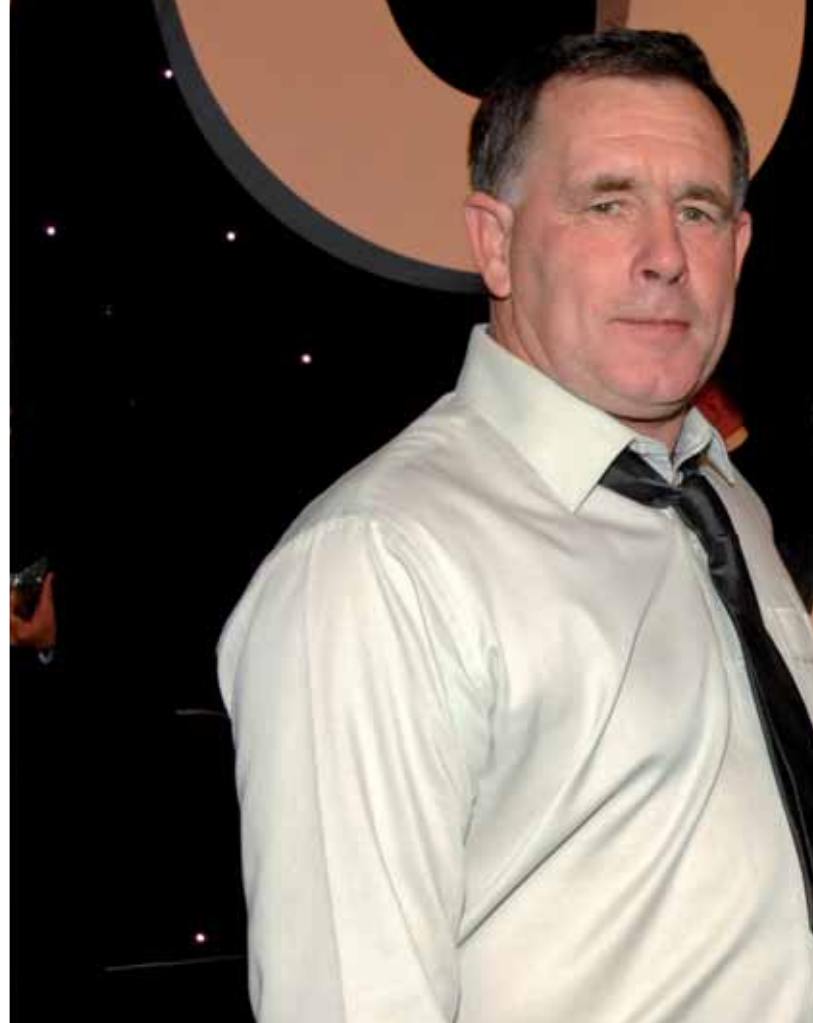
REINSW member and Principal Richard Rossiter, who won the Top Auction Lister award, says high demand for property in the area is driving the agency's success. "The local real estate market has been strong over the past 12 months driven by

"This award is a testament to the hard work, focus and dedication of our team ... without them we would not be the business we are today."

consumer confidence in property investment, a good local economy and Wagga Wagga's attractions in terms of affordability and lifestyle," says Richard.

Representing Sydney

The team at Double Bay, headed by REINSW member Bill Malouf, was the most successful office in the Sydney metropolitan region, picking up two national awards and three state awards. Bill took out the state and national Top Salesperson Income Earned awards.



"The LJ Hooker Double Bay team – made up of sales, property management, financial and business support people – is celebrating our team's achievements," says Bill.

Further north, LJ Hooker at Palm Beach won the Best Business Growth Office Gross Commission award. REINSW member and Principal David Edwards was also recognised for sales excellence with two Top Salesperson Income Earned runner-up awards.

REINSW members from

Sydney's inner west were also winners on the night. LJ Hooker Newtown received the Top Property Investment Management award and REINSW member Ee Poh Ling was placed in the top five for Top Salesperson Number of Transactions and Top Auction Lister.

Mr Lambert commends all the winners. "All award recipients are indicative of the professional real estate teams and individuals that make up our expanding network," he says. ♦



1

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All award recipients are indicative of the professional real estate teams and individuals that make up our expanding network.

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3



4

1. REINSW members Chris and Amanda Tate win the Franchise Owner of the Year award.

2. The team from LJ Hooker Taree show off their Top Community Relationship award.

3. REINSW member Bill Malouf from the Double Bay office (left) accepted the Top Salesperson Income Earned award from Executive Chairman L Janusz Hooker.

4. REINSW member and Principal of LJ Hooker Palm Beach, David Edwards (left) accepts the award for Best Business Growth Office Gross Commission from LJ Hooker Managing Director Alan Lambert.

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Curbing the cost of commercial leasing

BY HELEN SCHULLER

Find out how real estate professionals can help clients save money on their commercial property.

When leasing an office, warehouse or showroom, it's important to be organised, consider location, market conditions, car parking, existing fit-out and future requirements. By taking into consideration these factors, you can help commercial clients save time and money.

Matthew Nolan, Principal of Nolans First National Real Estate, says many companies wait too long to make commercial leasing decisions. He recommends real estate agents advise their clients to discuss relocation at least 12 months in advance.

"Some tenants don't think far enough ahead and wait right to the end of the lease. It's important for them to look 12 to 18 months in advance – this planning stage ensures they

make the right decision and don't find themselves relocating to something that isn't suitable.

"This gives them plenty of time to have a good look around and exercise an option prior to the last three months of the lease, or if they want new premises, it's not cutting it fine for DA approvals to go through if required."

Upgrading technology

Nolan believes companies can achieve significant cost savings by increasing efficiencies, particularly around technology, so they don't have to compromise on the quality or location of their commercial property.

"Adopting new technology can be an effective way of increasing space within an office that is experiencing staff expansion. With new technology being

smaller and less intrusive, it doesn't take up as much room."

Office fit-out

Peter Ferguson, State Director Office Leasing at Knight Frank, says cost savings can also be achieved by choosing a well-

"Adopting new technology can be an effective way of increasing space within an office."

designed office with a fit-out that makes the most of limited space.

"The cost of office fit-outs varies greatly. That said, a good quality office fit-out costs around \$1000 per square metre. If office space

has an existing fit-out that suits a client's needs, the cost savings can be considerable."

According to Ferguson, recent economic conditions have placed upward pressure on 'incentives' lessors provide to leasees.

"In a 'leasee's market', a tenant can demand a higher incentive," he says, which may include a quality fit-out.

Building location and grades

While it has become a 'leasee's market', it is important to remember that quality suburban office space is much cheaper than similar Sydney CBD offices, says Ferguson.

"Even within the Sydney CBD there are significant price differences – office space



SPOTLIGHT ON NORTH SYDNEY

Kymbal Dunne and Tom Mott from m² Office Leasing researched eight leasing transactions by medium to large businesses in North Sydney. The tenancies ranged from 800 sqm to 4000 sqm.

"While tenants have historically been driven by value, our

research indicates that companies are now focused on price," says Kymbal.

"If they have to move, they aim to secure higher quality premises but expect their rent to remain static."

Seven of the eight transactions were organisations with expiring leases in low to high

B-grade properties. While most now lease space in buildings of the same age as their previous premises, all seven achieved an upgrade without increasing their rent.

"Most companies do not demand or expect new premises, but they do want well-maintained, efficient building services," says Tom.



LOCATION

Suburban office space is more cost-effective than spaces in the CBD

TECHNOLOGY

Adopting new technology can increase space within an office

FIT-OUT

Find one that makes the most of limited space and suits the client's needs

RENTING

Allows the client to expand more readily and with fewer limitations

around Central rail station, for example, is more cost-effective than comparable quality property around Martin Place.”

The grade of a building also has a significant impact on the cost of rent, adds Ferguson.

“For example, a grade B building sitting adjacent to a grade A building can be around \$100 per square metre per annum cheaper,” he says. “There are

some very good grade B buildings which offer value for money.”

Tim Green Commercial Managing Director, Tim Green says it is important to note that leasing leaves many businesses vulnerable to the whims of the property sector – with some leases pegging rental prices to the Consumer Price Index.

“However, many areas, such as grade A office space in Sydney’s

CBD, experiences much less market fluctuation – consider the variability of the area and grade of the property you’re looking at,” he says.

Rent or buy?

Green adds that costs incurred from repairs and renovations are handled differently, depending on whether a company owns or leases the property.

“Lease holders can claim

improvements immediately while owners may be required to depreciate their expenses over time.

“For many newer businesses, leasing could be the preferred option as it allows them to expand more readily and with fewer limitations. Keep in mind that if you do buy and outgrow your space, you can always lease the premises to help with the cash flow.” ♦



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- ✦ TRA abides by “Property, Stock and Business Agents Amendments (Tenant Databases) Regulation 2004”.



BY GARY NEWTON
& ALEX OTTAWAY

Cooling off periods explained

Are you up to speed with the legal issues and implications associated with cooling off periods?

A cooling off period is an amount of time after a contract is entered into during which the contract may be rescinded (treated as if never entered into).

This article concerns cooling off periods in contracts for sale of residential property in NSW. Agents need to be aware of the provisions which govern the cooling off regime.

When does a cooling off period apply?

Ordinarily, purchasers under a contract for the sale of residential property in NSW are protected by cooling off periods, unless an exception applies.

Where the land is used wholly for non-residential purposes, it is not considered 'residential property' and therefore no cooling off period will apply. For example,

WHAT IS 'RESIDENTIAL PROPERTY'?

'Residential property' is defined in the *Conveyancing Act 1919* as including any of the following:

- land with not more than two places of residence (i.e. a house, two houses, a duplex but not a triplex or apartment block)
- vacant land where a single place of residence is permitted to be built
- strata lot or lots which constitute one place of residence only.

commercial strata lots or vacant land used as a market garden would not be considered to be 'residential property'.

Exceptions

Where a 66W certificate is given

There will be no cooling off period where the purchaser (or their solicitor or agent) gives the vendor (or their solicitor or agent) a 66W certificate before or upon exchange.

In order to be compliant, a 66W certificate must:

- be in writing
- be signed by a solicitor, barrister or licensed conveyancer (but not one who is acting for the vendor)
- indicate that the purpose of the certificate is to waive the cooling off period
- state that the solicitor, barrister or licensed conveyancer explained to the purchaser the effect of the contract and that in giving the certificate to the vendor, the cooling off period would be waived.

A section 66W certificate can be given by facsimile.

Where the property is sold at public auction

A cooling off period does not apply to residential properties sold at public auction.

It may be that the property goes to auction but is passed in (i.e. not sold). In these cases, if a contract for sale of the property is entered into on the same day



Istock

A purchaser must exercise their cooling off rights during the cooling off period by serving a written notice informing the vendor.

after the auction, a cooling off period will also not apply.

Where the land is more than 2.5 hectares in area

If the land is more than 2.5 hectares in area, it is not deemed to be 'residential property' and no cooling off period applies.

Exercising cooling off rights

A purchaser must exercise their cooling off rights (i.e. if they wish to rescind the contract) during the

cooling off period by serving a written notice informing the vendor of the rescission.

The written notice must be signed by the purchaser or their solicitor. Where there is more than one purchaser, each purchaser (or the solicitor for each purchaser) must sign the notice.

The notice must be served on the vendor or their agent or solicitor. Where there is more than one vendor, service need only be on one of them (or on the agent/solicitor for one).

When the purchaser exercises their cooling off rights, the sale contract is rescinded. This means that, for legal purposes, it is as if the contract never existed.

The purchaser upon exercising their cooling off rights forfeits 0.25 per cent of the purchase price of the property.

This amount can be taken from the deposit paid to the vendor. If no deposit has been taken, or if the 0.25 per cent exceeds the amount of the deposit, the balance is a debt and the vendor may sue to recover it. If the 0.25 per cent is less than the deposit, the balance of the deposit must be paid back to the purchaser.

Deposits

With sale contracts, vendors' agents are permitted to take more than 0.25 per cent of the purchase price as a deposit. In almost all cases agents should do so to protect the vendor. It is standard conveyancing practice for a 10 per cent deposit to be taken on exchange.

When a purchaser cools off (rescinds), the vendor does not get to keep the full deposit – only 0.25 per cent of the purchase price. The balance of any deposit must be repaid to the purchaser.

It is important to note that cooling off is different from termination. If a vendor terminates a contract due to the default of a purchaser (i.e. where, without valid reason, the purchaser is unwilling or unable to proceed to settlement or they

withdraw from the purchase), the vendor keeps the full deposit, which compensates the vendor for their loss of bargain, the need to find a new purchaser and their costs and expenses incurred due to the sale falling through.

Duration

A cooling off period starts at the time the sale contract is made – that is, on exchange. It finishes at 5.00pm (Sydney time) on the fifth business day after the day on which the contract was made.

For example, if a sale contract was entered into at 10.00am on Wednesday, 9 June 2010, the cooling off period starts at this time. It ends at 5.00pm on Thursday, 17 June 2010. Weekend days and public holidays (in this case, the Queen's Birthday on 14 June 2010) are not counted as business days.

Changing the duration

The rule that a cooling off period runs until 5.00pm on the fifth business day after the contract or agreement is entered into is a default rule. The parties may agree to extend or reduce the period. Agents should not amend the contract to alter the length of a

The duration of a cooling off period can be extended by a special condition being inserted into the contract or agreement.

cooling off period. The *Property, Stock and Business Agents Act 2002* does not permit an agent to make such changes to a contract. A change to reduce or lengthen a cooling off period should only be made by the vendor, or by their solicitor or licensed conveyancer.

Extending the period

The duration of a cooling off period can be extended by a special condition being inserted into the contract or agreement. If the cooling off period has already begun, the vendor may agree to extend the period at any time before its expiration, provided this is done in writing.

Agents should bear in mind that if there is a tenant in the property, and the property is being sold

with vacant possession, an increase in the cooling off period may require an extension in the usual 42-day settlement period to allow a periodic tenancy to be properly terminated.

Reducing the period

The best way to reduce the cooling off period is to insert a special condition into the contract. The parties may also agree to a reduction orally or in writing. In both cases, a 66W certificate will also be required.

Cooling off notices

Cooling off notices are required to be attached to contracts for the sale of residential property. If one is not attached, the purchaser has a right to rescind at any time up until completion, whether or not the cooling off period has already expired and they will not forfeit 0.25 per cent.

The standard form contract for the sale of land sold, by the Law Society of NSW and REINSW, has a compliant cooling off notice. ♦

Gary Newton LLB (Syd), Partner, and Alex Ottaway LLB (Syd), Law Clerk, are employed at Colin Biggers & Paisley.

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BY CHRIS GRAY

8 tips to buying before auction

Expert advice on how to get the property you're looking for before it goes under the hammer.

1. Know what you're after

First, you need a clear picture of what you are looking for. A defined plan means that you are more likely to find what you want. If you have too many options, you might never make a decision.

2. Know what you're buying

Once you've found your property, a building inspection is imperative to ensure that there are no hidden problems you will have to repair down the track. You also need a strata inspection when buying a unit, and pest inspection when buying a house. These give you a clear idea of any works you will need to add to your budget.

3. Get pre-approved for finance

Buyers can spend months looking for properties only to have their mortgage application knocked back. It all ends up in frustration, which can lead to a 'reactive' decision on the wrong property. If you get pre-approved for finance and tell your bank or mortgage broker the type of property you want to buy, there should be no surprises down the track.

4. Be confident about the price

Many buyers make emotional decisions when they find their dream property. As a professional buyer, I have been buying similar property in the same suburbs for more than 10 years. Even though I have a good idea of what a property may be worth, I still enlist the services of an independent valuer.



5. Get to know the agent

As the key contact between sellers and buyers, agents are the first to be aware of properties for sale. You need to show the agent that you are serious about buying and can make a quick decision, followed by a signed, unconditional contract. Also, let them know you are pre-approved for finance.

6. Make an offer

In order to buy before auction, you have to make an offer. Unconditional offers (that are not subject to finance, building inspections etc) are always appealing to vendors, as they show you are serious. To ensure yours is accepted, you will need

to have a conversation with the agent to discuss the vendor's expectations. Do they want a long or short settlement, or to extend their stay in the property?

7. Silent sales

Not all properties get advertised on the market. Some vendors need a quick sale while others may not need to sell but are open to offers. The better you know the agents, the more likely you will hear about silent sales, as many agents take a property to their closest contacts before the general public.

8. Use a professional buyer

Successful property buyers will look at around 100 properties in

the area they are interested in, as well as conducting secondary research, before making a decision. If you're busy, it can be hard to dedicate the time to buying a property. Vendors use professional agents to negotiate for them, so why can't the buyer? Professionals make the process easier and can secure a better deal. ♦

Chris Gray is a leading property expert who provides professional opinion in national media. He hosts Your Money Your Call on Sky News Business Channel. He is also CEO of property portfolio company Empire, which searches, negotiates and renovates properties for professionals.

NEW MEMBER, GRACE LEE



Grace Lee is a residential salesperson at Ray White in Eastwood. She recently became an REINSW member and looks forward to taking advantage of the many learning opportunities REINSW has to offer.

"I became a member to grow as a real estate professional," she says. "The property industry is extremely dynamic and there are many ways to develop your career.

"I feel secure knowing that I can ask REINSW about the right way of doing something if I am unsure."

Information resources such as the *Real Estate Journal*, Member Helpline and REINSW website are the main reason Grace joined REINSW. "I know REINSW will give me advice that I can trust," she adds.

"I know REINSW will give me advice that I can trust."

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Help us help you by filling in the 2010 REINSW Member Survey.

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To fill in the survey, go to www.reinsw.com.au and click on the Member Survey icon.

The survey runs until Friday, 27 August 2010.

* 64GB Apple iPad with Wi-Fi + 3G and protective case; NSW permit number LTPS/10/06878

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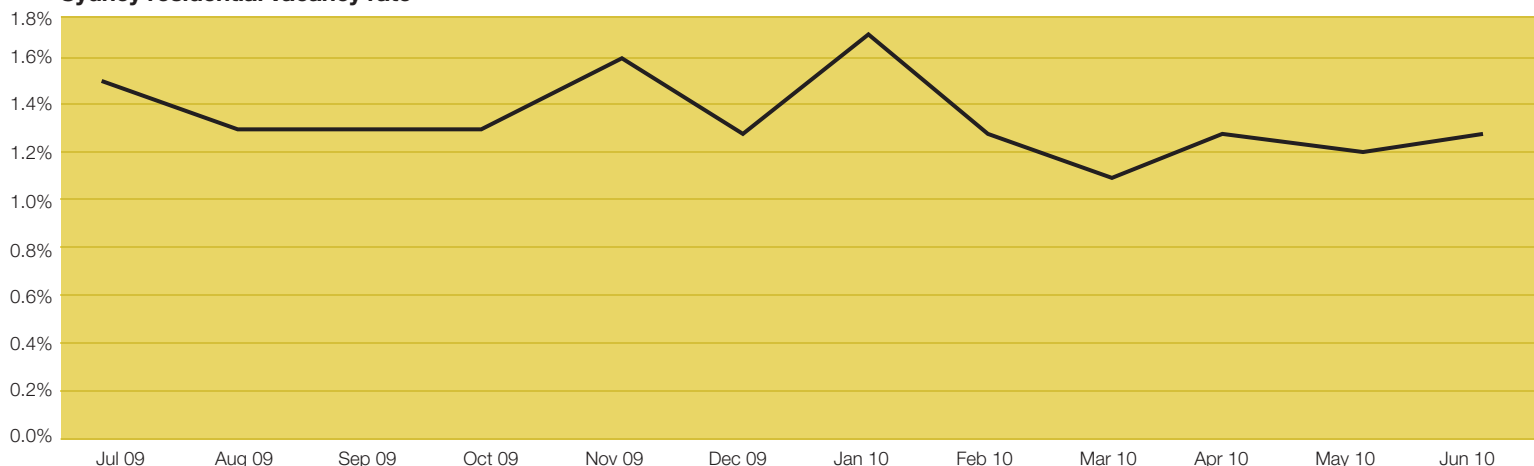


Check out the latest rate for your area. You can use it in your newsletters, information packs and discussions with potential investors.

Residential vacancy rate – Compiled by Inshgtrix on behalf of REINSW

SYDNEY	Jun-10 (%)	May-10 (%)	Apr-10 (%)	Mar-10 (%)		Jun-10 (%)	May-10 (%)	Apr-10 (%)	Mar-10 (%)
Inner	1.3	1.2	1.3	1.1	ALBURY	2.1	2.5	2.7	2.1
Middle	1.6	1.3	1.5	1.1	CENTRAL	1.5	2.4	1.4	1.4
Outer	1.1	1.2	1.2	1.0	COFFS HARBOUR	3.0	3.6	2.4	2.7
Total	1.3	1.2	1.3	1.1	FAR WEST	-	-	-	-
HUNTER					MID-NORTH COAST	2.5	2.2	2.8	1.9
Newcastle	2.1	1.6	1.9	1.5	MURRUMBIDGEE	4.3	3.1	2.6	3.4
Other	1.9	1.6	1.7	1.4	NEW ENGLAND	2.3	2.7	2.0	2.1
Total	2.0	1.6	1.8	1.4	NORTHERN RIVERS	2.0	2.1	2.4	2.3
ILLAWARRA					ORANA	3.3	2.6	2.1	1.9
Wollongong	1.3	1.1	0.9	1.1	RIVERINA	3.5	4.2	5.1	2.8
Other	1.7	1.4	1.0	1.2	SOUTH COAST	2.3	2.2	3.2	1.7
Total	1.5	1.3	0.9	1.1	SOUTH EASTERN	1.0	1.6	1.0	0.9
CENTRAL COAST									
	2.3	1.9	2.0	1.6					

Sydney residential vacancy rate



Source: REINSW Vacancy Rate Survey

Did you know 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

	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
4/07/10	80	82.1%	21	59.3%	61	66.7%	65	70.6%	686	65.9%
27/06/10	103	69.3%	41	71.1%	89	63.0%	95	70.4%	681	66.6%
20/06/10	116	67.4%	48	53.0%	95	71.6%	96	53.6%	695	67.8%
13/06/10	54	76.3%	22	82.6%	57	75.0%	62	66.2%	744	70.9%
6/06/10	140	72.3%	31	87.5%	91	64.5%	111	73.2%	695	74.1%
30/05/10	95	79.0%	57	80.3%	110	65.0%	136	69.5%	494	74.9%
23/05/10	112	75.2%	50	81.5%	96	58.7%	118	68.9%	571	73.3%
16/05/10	120	81.9%	54	87.7%	94	69.5%	124	65.7%	446	74.6%
9/05/10	118	81.0%	44	77.8%	115	83.9%	122	71.5%	287	82.2%
2/05/10	156	82.5%	51	76.5%	88	81.5%	119	73.4%	1007	74.0%
25/04/10	81	84.7%	47	89.6%	59	74.6%	79	80.7%	679	78.1%
18/04/10	113	84.2%	46	87.0%	52	75.0%	63	80.6%	583	67.9%

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The lighter side of real estate

The *Real Estate Journal* brings you a dose of humour from real estate agents on the ground. In this edition we hear from a holiday rentals business owner.



BY PERRIE CROSHAW,
SOUTH COAST HOLIDAYS

YOUR STORY

We want to hear your stories! If you have a humorous or interesting story you'd like to share with REINSW members in 'The lighter side of real estate', email the editor at leanne@mahlabmedia.com.au

Earlier this week I asked our team what 'off the wall' holiday rental stories they might like to share with REINSW readers. Quite a lot of giggling, snickering, smirking and nervous laughter followed. OK, so we'll keep it clean and won't reveal anything too incriminating about our guests.

We love the fact that our clients are so diverse. We have fabulous ones, quirky ones, generous ones, repeat ones and difficult-to-understand-their-unusual-ways ones. This diversity keeps us on our toes and constantly amused/bemused.

Special requests

We try to accommodate all of our guests' wishes and desires. But sometimes this is a really hard ask.

On one occasion, for example, we had to install big flatscreen TVs in properties at the last minute for a group of guests who didn't want to miss a special football match.

One of our regular guests, who arrives at our office with armfuls of Greek biscuits, also has explicit instructions for her favourite holiday home in Gerroa, NSW. She requested that the property – which is about to undergo refurbishment – must retain the chaise lounge which looks directly out of the front windows, down Seven Mile Beach and at the sunset.

This sofa is the primary reason she comes to stay each month. She says she "dreams" of lying on that sofa watching the sun slowly fade behind Coolangatta Mountain!

Pleasant surprise

Sometimes we contribute unknowingly to our guests' great enjoyment.

Many years ago, I had a couple arrive at one of our B&Bs. It was a beautiful 40-acre rural property, about 15 minutes outside Berry. Once you found your way there, you really didn't want to drive back into town to search for food. In any case, most restaurants were closed by 9.30pm mid-week and this couple arrived very late, much closer to midnight.

I greeted them on arrival and they asked if I might prepare them some supper – that's what a B&B is really all about. So I did. I had a sumptuous rump steak casserole already prepared (for my family's dinner the following night), so I heated this up and served it with brown rice and steamed broccoli, followed by fruit salad and chocolate cake. The couple was delighted.

At 8am the following morning, the husband knocked on my front door to thank me for the meal. It turned out they were both vegetarians, but were so hungry and the casserole smelled so good, they wolfed it down without any regrets.

Nine months later (almost to the day) their daughter was born.

Each year we receive a Christmas card from them. They truly believe it was the red meat that helped them conceive. I know that real estate agents are blamed for many things, but this reaches a new height! ♦

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