

Journal

JUL 2010
VOL 61/06



high ambition

Young agents who think big

Stamp duty relief
State Budget tax cuts explained

Landmark lawsuit
An agent's duty of care

Industry-owned alternative
Data product and portal launch in NSW

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*Nielsen Market Intelligence, May 2010

**Nielsen Market Intelligence, Duplication Report, Total Traffic, May 2010
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REINSW has limited proposals to allow tenants to make 'minor' changes, such as painting a wall, without the landlord's consent.

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Compare financial and performance data to other real estate agencies with Real Business First.

REINSW is helping members remain relevant in a competitive marketplace by driving innovation. Partnering with Deloitte, REINSW

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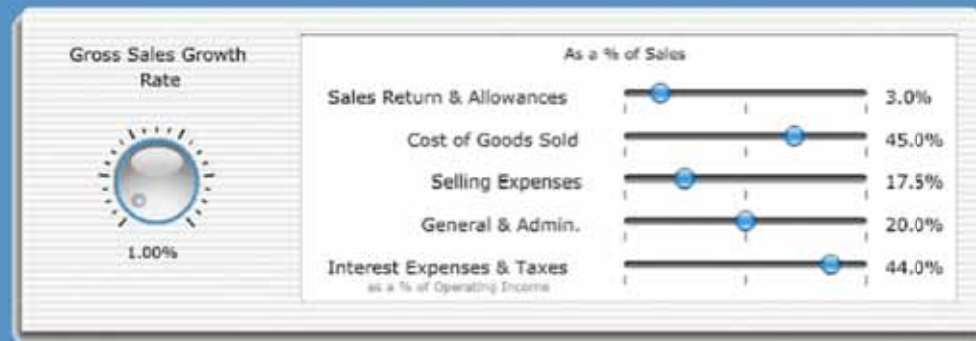
a point of reference and best practice examples, but there is strict privacy on the data so that no one else can see who or where it came from. Armed with this information, you can clearly identify problem areas and improve your bottom line.

The number of agents subscribing to Real Business First is gaining

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Future leaders

It gives me great pride to watch my young son carve out a career in property management. I am equally inspired by the growth of the REINSW Young Agents Chapter, which has recruited almost 1600 members in just two years.

Youthful exuberance

Meeting with many of these exuberant young professionals regularly, I am amazed at their thirst for knowledge, their drive and their initiative as they take real estate to exciting new heights. In this month's edition of the Real Estate Journal, meet four young professionals who have forged a career in real estate and look set to become

influential decision makers in the near future (page 14).

Generating quality leads

Something young agents are particularly good at is lead generation, with many developing new and creative ways to attract clients. In this issue, a marketing expert gives advice on what real estate agents should be doing to stay front-of-mind of potential buyers and sellers (page 30). The key to generating quality leads, it seems, is providing valuable information to clients.

Launch event

REINSW recently hosted the launch of two real estate

I am amazed at their thirst for knowledge, their drive and their initiative as they take real estate to exciting new heights.

products that look set to make a significant impact in the property data and portal market in NSW – propertyDATA.com.au and realestateVIEW.com.au.

The prestigious launch event was held at the Sydney Opera House in June (page 26).

Industry-owned property data

Partnering with REINSW and other REIs across Australia, these property products are industry-owned. So, for the first time, we have been given the opportunity to control our property data – and control the monthly fees we pay for it.

propertyDATA.com.au and realestateVIEW.com.au have been tried and tested by our sister REI in Victoria for more than 10 years. I urge all members to get behind these fantastic products and continue to take back some control of our data, our finances and our industry.

Wayne Stewart
REINSW President

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Lobbying wins for our industry

The past month has seen a number of REINSW's lobbying efforts achieve a positive result for the industry. Perhaps the biggest milestone was the State Government announcement in the NSW Budget that stamp duty would be abolished on select property purchases.

Stamp duty abolished

From 1 July 2010 to 30 June 2012, stamp duty will not be payable on the purchase of vacant residential land valued at up to \$400,000, new dwellings bought off the plan where construction has not yet commenced valued up to \$600,000, or new dwellings valued up to \$600,000 bought by Australian citizens or permanent residents over the age of 65. For more details see page 11.

The decision is an important step in bringing more properties on the market – but there are limitations. The stamp duty exemption, as announced, is so narrowly targeted that only a fraction of older homeowners are likely to benefit. For example, the \$600,000 limit for the exemption will exclude many downsizing couples who want to remain in

Coming up to the State and Federal elections, REINSW will be refining its policies on tax, housing, tenancy and agency.

their suburb and who are seeking a dwelling larger than a one-bedroom unit.

If the State Government is serious about addressing the housing shortage it should also reconsider the 'over-65' age criteria to include more homeowners looking to downsize. Consequently, REINSW will continue to lobby for the full abolition of stamp duty in NSW.

Interestingly, the stamp duty exemption for seniors is an initiative REINSW pioneered. In 2006, REINSW launched RAPP – the Retirement Assistance Purchase Plan that would give stamp duty relief to older homeowners looking to scale down and move into more suitable accommodation.

Housing Construction Acceleration Plan

The Housing Construction Acceleration Plan (HCAP) stamp duty concession introduced in the 2009-10 Budget ended on 30 June 2010. The 50 per cent reduction in stamp duty on the purchase of new homes for not more than \$600,000 will be replaced by a similar concession of 25 per cent for two years.

REINSW's lobbying efforts last year were also a catalyst to the introduction of HCAP.

Residential Tenancies Act

Another win for real estate agents across NSW is the State Government's acceptance of REINSW changes to the Residential Tenancies Bill. We have forced the NSW Government to make amendments such as scrapping a plan to give tenants the right to break fixed-term leases and limiting proposals to allow tenants to make 'minor' changes to the landlord's property.

If the State Government had continued down this path the outcome would have been disastrous for the property

industry. It is likely that many frustrated landlords would have sought other investments, and we would have seen fewer investors entering the market.

While this is a significant win for REINSW and its members, we continue to urge the Keneally Government to consult all stakeholders, especially agents, as it works towards introducing the new *Residential Tenancies Act*.

REINSW is running free member sessions to keep you up to date on this issue. For more information go to page 12.

Heading into elections

Coming up to the State and Federal elections, REINSW will be refining its policies on tax, housing, tenancy and agency. We are rolling up our sleeves and preparing to lobby hard for the real estate profession.

The wins of the past month show just how effective REINSW lobbying is in protecting the interests of real estate professionals. We may not get results immediately but, as in the case of RAPP, the Government eventually comes around.

Tim McKibbin
REINSW CEO

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Office tenants back in business

Research by Colliers International has revealed that a quarter of businesses are planning to relocate within three years. Tenants cited business expansion as the number one factor fuelling relocation.

The Colliers International Office Tenant Survey assessed 351 decision makers leasing commercial property who occupy space of 500sqm or more in the head office locations of Sydney, Melbourne, Brisbane, Adelaide, Canberra, Perth, Auckland and Wellington.



Felice Spark, Colliers International Director of Commercial Research says the 2010 Office Tenant Survey findings show the Global Financial Crisis is no longer affecting leasing decision makers, with businesses now actively focused on expansion, securing quality new premises and improving business performance.

Property still popular with investors



Investment in negatively geared property is growing despite suggestions that the Reserve Bank may raise interest rates in August.

Lending to property investors rose 11 per cent in the first four months of the year, according to figures from the Australian Bureau of Statistics, while lending to buy homes in which to live fell 10 per cent. In the past 12 months, loans for investment purposes increased 20 per cent in NSW and 30 per cent nationwide.

The figures follow the release of minutes from the Reserve Bank board meeting in June which suggest a possible interest rate rise in August. But the move won't discourage investors, says BIS Shrapnel analyst Angie Zigomanis.

"These investors aren't concerned about interest rates," she says. "They can see prices rising and real estate looks a safer bet than the stockmarket."

REINSW CEO Tim McKibbin agrees. He says investors burned by the economic downturn have turned to real estate for a more secure investment. "Property will continue to be seen as the more solid investment option," he says.

According to Australian Tax Office (ATO) figures, one in 10 taxpayers owns a negatively geared property. The ATO also found a record 1.2 million investors spent more money on their rental properties than they earned in 2007-08.

PROPERTY INVESTMENT

20%

increase in lending for investment purposes in NSW

1 in 10

taxpayers owns a negatively geared property

1.2M

investors spent more on their rental properties than they earned in 2007-08

State-wide broadband upgrade

The first step in developing a National Broadband Network (NBN) could be the upgrade of internet infrastructure in home units owned by the Department of Housing, says Peter Duncan, Chairman of the NSW NBN taskforce.

Speaking at the CeBIT technology exhibition held in Sydney in May, Duncan told attendees that the NSW Government is looking at Department of Housing multi-dwelling units with ADSL infrastructure "as an area we can trial" the retrofit of fibre.

The taskforce is currently examining ways the state can benefit from the fibre infrastructure to be deployed in test sites in the NBN scheme.

Elderly reluctant to downgrade



Over 55's are sitting on 500,000 spare bedrooms across Sydney. Census figures from the past three years reveal under-occupancy of established houses owned by this demographic is on the rise, with almost half their homes having one or two spare bedrooms.

But the data also shows that 91 per cent of these home owners regard their current home as matching their needs. They also want to remain in their own home for as long as possible, with professional care services.

Australia makes the top four

A survey by Knight Frank has revealed that Australia is the fourth-fastest-growing property market in the world. This is largely due to a 20 per cent price jump in the past year, according to the international real estate agency.

The survey also found that China overtook Hong Kong as the hottest housing market, with a 68 per cent annual price rise.

"The top four positions in our rankings are all occupied by Asia-Pacific locations," says Liam Bailey, Head of Residential Research at Knight Frank.

The report says that each quarter provided new evidence of recovery. But Australian Research Director Matt Whitby is cautious. "It remains to be seen if this is another period of sustained growth or the middle peak in a double-dip recession," he says.



Landowners' right to protect property

The NSW Government has released draft legislation that gives beachfront landowners the right to shield their property against coastal erosion. The Coastal Protection and Other Legislation Amendment Bill 2010 will permit landowners to place sand, sandbags or other emergency barriers (excluding rocks, concrete, construction waste or debris) on beaches.

The Bill follows the recent Land and Environment Court decision in *Vaughan v Byron Shire Council* which held that Byron Shire Council must maintain, monitor and repair beach stabilisation works designed to offset the effects of erosion caused by severe storms.

Ray White sales up 8%

Real estate franchise Ray White has recorded \$2.61 billion in sales for May, an eight per cent increase on the previous year's figures.

The sales gain came despite the six increases to the overnight cash rate between October and May to 4.5 per cent.

"Despite rates going up, there is still a shortage of properties on the market particularly in NSW ... when demand exceeds supply that will always boost momentum for sales," says Ray White Joint Chairman Brian White.

In NSW, the real estate group noted a 16 per cent increase in sales, reaching a record of \$840 million.



REINSW has limited proposals to allow tenants to make 'minor' changes, such as painting a wall, without the landlord's consent.

REINSW forces changes to residential tenancy law

The NSW Government has actioned many of REINSW's recommended changes to the Residential Tenancies Bill, which has now been moved before parliament.

"REINSW is pleased that the government has listened to our concerns and made key changes," says REINSW President Wayne Stewart.

Need for review

But REINSW has not been provided with a complete overview of all the changes to the Bill and is urging the Minister to delay its passage until stakeholders have reviewed the new legislation.

"Again the government is trying to rush this legislation through without sufficient time for proper consultation. We call on the Minister to take the time to get this right and not push ahead with unreasonable haste," adds Mr Stewart.

REINSW's changes implemented

Key changes which REINSW pressured the government to make include:

- abandoning a proposal to give tenants the right to break a fixed-term tenancy agreement in return for payment of a 'break fee'
- scrapping the compulsory proposal to cap a landlord's damages (including loss of rent) if a tenant abandons rented premises; and maintaining the current obligation on a landlord to mitigate their loss in such circumstances
- providing greater certainty for landlords when terminating periodic tenancies
- limiting the government's proposals to allow tenants to make 'minor' changes to the landlord's property (e.g. painting is not a 'minor' change) or to sublet the property without the landlord's consent.

New rules for DIY renovators

From September 2010, homeowners who supervise or do their own renovations (valued at \$12,000 and over) must complete a course to get an owner-builder permit from the Office of Fair Trading.

Fair Trading Minister Virginia Judge says the new course is "essential to make training more rigorous and ensure the safety of both owner-builders and subcontractors".

"Many owner-builders are unaware of their obligations to their subcontractors," she adds.



REINSW IN THE MEDIA

With real estate a focal point of the State Budget and movement on the *Residential Tenancies Act* in parliament, REINSW has had a strong presence in local, state and national media in May.

Print

- REINSW's lobbying efforts were referred to in a *Sydney Morning Herald* article on proposed changes to *Residential Tenancies Act*.
- The *St George & Sutherland Shire Leader* featured commentary by REINSW CEO Tim McKibbin on the NSW Government's proposed *ad valorem* tax.
- An article in the *Bankstown-Canterbury Torch* on the state of the rental market in NSW referred to REINSW vacancy rate data.

Radio

- On 2SM Sydney, REINSW President Wayne Stewart spoke about the rental crisis in NSW.
- 2DU in Dubbo interviewed REINSW member and Chair of the Business Agents Chapter, Rod Crowfoot, about the *ad valorem* tax.
- Wayne Stewart also gave advice to tenants applying for properties on ABC Radio National.

MAY MEDIA ROUND UP

- 30 radio spots
- 47 print articles
- 23 website stories

The total audience reached in Australia was 4034 million. View all of REINSW's recent media coverage at www.reinsw.com.au



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- May 2010: iVisual Touch. The first to create an active and interactive display in a single unit.



Stamp duty relief

The NSW Government has abolished stamp duty on some new property purchases in an attempt to drive housing construction and stimulate the state economy.



In June, the State Government announced that stamp duty would be abolished for two years from 1 July 2010 to 30 June 2012 on the purchase of:

- vacant residential land valued at up to \$400,000
- new dwellings bought off the plan where construction has not yet commenced valued up to \$600,000
- new dwellings valued up to \$600,000 bought by Australian citizens or permanent residents over the age of 65.

“REINSW welcomes the initiatives on stamp duty announced in the State Budget,” says REINSW President Wayne Stewart. “We have been calling on the NSW Government for some time to deliver incentives to reinvigorate the property sector.”

Off-the-plan purchases

For the next two years, homebuyers and investors will pay zero stamp duty on off-the-plan residential purchases valued up to \$600,000, where construction has not yet started. The measure, which could mean a saving of up to \$22,490 on the purchase of a new home, is forecast to cost the government \$60 million per year.

Eric Roozendaal, NSW Treasurer, says that encouraging people to buy early gives builders a better chance of securing project finance. “Project financing can be a hurdle to new home construction,” he explains.

For properties under construction or that have been newly completed and worth up to \$600,000, a 25 per cent stamp duty discount will apply. This will be similar to the Housing Construction Acceleration Plan

stamp duty concession that applies up to 30 June 2010.

Seniors to downsize

Seniors with oversized houses are being encouraged to downsize with no stamp duty payable for Australian citizens or permanent residents aged over 65 who buy a newly built home worth up to \$600,000. However, there are conditions – the property must be their principal place of residence and they must sell their existing home in NSW within six months.

The discount applies to purchases of newly constructed houses and units (which have not been previously occupied or sold), off-the-plan acquisitions, and house-and-land packages.

‘The zero transfer duty ... will contribute both to the goal of helping older homeowners seeking to downsize their home,

and the goal of encouraging new home construction,’ the Budget papers state.

According to Mr Stewart, further cuts to stamp duty will encourage the level of investment required for a speedy economic recovery.

He says: “More widespread reductions in stamp duty would encourage greater activity in the property market and generate more revenue in the long term.” ♦

FAST FACTS

- NSW houses have a \$546,000 mean price, and units a mean of \$457,000.
- Housing construction fell to record lows in June last year when just 422 units and townhouses were approved compared with the previous 10-year June average of 1400 approvals.

Online portals self-regulate

Australia's largest holiday rental portals have launched a set of guidelines for property owners and agents.

Stayz, Takeabreak and Rentahome (Occupancy), and Realholidays have developed national holiday rental guidelines that will take effect in July.

As a condition of listing on the four portals, property owners and agents will need to comply with the Holiday & Short Term Rentals Guidelines which cover property management, letting agreements, bonds and payments, recycling and garbage, parking, noise and complaint channels.

Lifting standards

The aim is to establish a set of recommended industry practices that will improve the overall standard of accommodation, increase accessibility to regional tourism and holiday rentals, to better meet the needs of the community.

“At a national and community level, these guidelines will help managers self-regulate while promoting best practice.”

“At a national and community level, these guidelines will help managers self-regulate while promoting best practice and unity for all stakeholders within the industry,” says Kirsty Shaw, General Manager of Stayz.

Collaborative effort

The Holiday & Short Term Rentals Guidelines are a national extension of the REINSW holiday rental guidelines and were developed



in collaboration with key state tourism bodies, local councils, state and territory real estate

institutes, visitors, property owners and the key holiday rental portals. ♦

FREE MEMBER UPDATES

Residential Tenancies Act 2010

The NSW Parliament has passed the *Residential Tenancies Act 2010*, which includes some of the most sweeping changes to residential tenancies in decades.

The changes will affect the control and management of each and every rented residential

property in NSW and will have a profound impact on property managers, landlords and tenants.

As we await the release of the draft Regulations by the government, it's essential for all agents to start familiarising themselves with the main concepts of the new regime.

At this FREE member update, find out what has changed, what has stayed the same and what you will need to do to implement the changes.

If you are a property manager or your business has a rent roll, you can't afford to miss this critical update.

DETAILS

REINSW will be visiting metropolitan and non-metropolitan areas across NSW. Go to www.reinsw.com.au to find out when we'll be near you!

The information session will also be available via video and podcast.

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BY CYNDI TEBBEL

Meet four talented young agents who represent the future of real estate.

The success of any business relies on the ability to attract and retain high calibre people – and real estate is no exception. With fierce competition for the best and the brightest, catching the attention of potential leaders as they contemplate their future is a challenge.

It requires offering school leavers and university graduates the training and development necessary to build a rich and rewarding career. While young people may not initially entertain the idea of real estate as a vocation, the many who admit to ‘falling into’ the profession are overwhelmingly enthusiastic about their choice.

Their passion for people and property is evident as they go about the day-to-day business of helping first-home buyers, negotiating million dollar sales and leasing commercial and residential properties.

Without exception, they love the flexibility real estate offers. In particular, the many opportunities to step out from behind a desk and pound the pavements as they gather the indispensable market knowledge necessary to build relationships that turn clients into life-long friends. ►

Left to right: Joshua Pails, Office Leasing at Savills; Amy O'Mara, Residential Sales Agent at Cunninghams Property; Monique Fowler, Buyers Agent at Sydney Property Finders; Vasili Hadzellis, Property Manager at McGrath.

“

I love the flexibility. You can work late nights if you want to and you get back what you put in.”

AMY O'MARA

AMY O'MARA RESIDENTIAL SALES AGENT, CUNNINGHAMS PROPERTY

After a brief career in graphic design and marketing, Amy O'Mara gave in to her preoccupation with the property pages in the weekend papers and joined a real estate agency.

Based in Balgowlah, NSW, 31 year old Amy works in tandem with 27 year old Andrew Lutze. Both are licensed agents and in 2009 they sold 48 homes, the majority under the \$1 million mark on the lower northern beaches.

Most of their clients are young couples or first-home buyers. "Because it's usually their first experience with an agent, I take the time to go through the whole process with them so they feel comfortable about what's happening," says Amy.

With 10 properties on the go at any time, 40-plus hours a

week isn't unusual, weekends included. But Amy says there are plenty of perks.

"I love the flexibility. You can work late nights if you want to and you get back what you put in," she says.

As a member of the REINSW Young Agents' Chapter, Amy enjoys "getting together at different events and discussing the issues facing younger agents". And she says she's lucky to be working with Andrew. "We face challenges together and it's good to have someone else to lean on," she says.

That comes in handy when Amy swaps her laptop for a weekend of road racing on one of her two pink Yamaha motorcycles. She's the only woman in Australia competing in the Australian Superbike Series to raise money and awareness for breast cancer through the McGrath Foundation.

“

We're 100 per cent focused on providing landlords and tenants with a fantastic service experience.”

VASILI HADZELLIS

VASILI HADZELLIS PROPERTY MANAGER, MCGRATH

In 1999 Vasili Hadzellis was hired as a Saturday receptionist at a boutique agency opening its first office on Sydney's northern beaches.

Today the 28 year old is Licensee and Senior Property Investment Executive for Property Management at McGrath's Neutral Bay, Mosman and Northbridge office. The rental roll of 1000 properties includes studio apartments and \$5000 a week homes on the lower north shore.

Vasili says business is humming. "We're 100 per cent focused on providing landlords and tenants with a fantastic service experience."

He still has clients from when he started 11 years ago, and says one of the agency's goals is that

"we are their trusted adviser in real estate, including property management".

When it comes to the property management, Vasili praised REINSW for representing agents at a government level and its guidance around proposed changes to the *Residential Tenancies Act*.

For Vasili, real estate is about helping people make the next move in their life. Lifting the benchmark in property management is his long-term goal. "It's always been seen as the second cousin to the sales business but our company sees it as equally important that we look after our client's total real estate needs."

Since losing 70kg over the last three and a half years he also enjoys a healthy balance between his work life and his health and fitness.

“

If you like building relationships with people and being out and about, this is the job for you.”

MONIQUE FOWLER

MONIQUE FOWLER
BUYERS AGENT,
SYDNEY PROPERTY FINDERS

Monique Fowler studied computer science in New Zealand before discovering real estate. “I fell into it 10 years ago and absolutely loved it,” she says.

Now part of a six-strong team at Sydney Property Finders, Monique’s job is to “create a market” for clients looking for homes or investments in Sydney’s eastern suburbs.

That involves establishing good working relationships with property agents rather than reacting to what’s on the market.

“Building rapport is so important. Many of our clients come to us because they’ve exhausted everything on the market and understand that we can add value to their purchase and allow

them to buy with confidence,” says Monique.

“We’ve purchased many off-market properties from vendors who want a quick and quiet sale. It is very satisfying knowing I’ve exposed my clients to property options they wouldn’t have otherwise come across.”

Monique says that every day is a challenge ‘in a good way’. “If you like building relationships with people and being out and about, this is the job for you!”

Recently engaged to be married, 30 year old Monique is contemplating her long-term direction. “Being a buyers agent offers flexibility: if I want to start a family, it’s something I can continue doing.

“That’s really important for a woman in my situation, because when you love what you do you want to keep working.”

“

There are a number of agencies in the city and while we are all competing, we also work together.”

JOSHUA PAILS

JOSHUA PAILS
OFFICE LEASING,
SAVILLS

Armed with a degree in property economics from UTS, Joshua Pails entered commercial property in 2006 as part of the graduate program of Savills office leasing division. In four years the 25 year old has brokered more than 30 leasing deals per year in the Sydney CBD and says his biggest challenge is winning new properties to lease in such a competitive environment.

“There are a number of agencies in the city and while we are all competing we also work together because to do otherwise would limit the potential for new stock,” he says.

Standing out from the crowd takes a track record of transactions, which Joshua says gives agents a better understanding of the market. “Our knowledge is important as

clients really appreciate when you can demonstrate that you know what’s happening in the market. The more they know, the better they can make an informed decision,” he says.

Joshua also takes advantage of the networking and professional development opportunities provided by REINSW, attending events and regularly visiting the website. “They’re a good source of information across the property market,” he says.

A strong start to the year has kept Joshua busy and he hopes to stay with Savills, with the aim of becoming a director of its leasing division.

When he’s not working, Joshua puts his 197cm frame to good use playing basketball for the Youthline team in the Northern Suburbs Basketball Association. “It comes pretty easily at the moment — as long as my knees hold up!” ♦

REINSW celebrates 100 years

Continuing our REINSW retrospective we look at the 1960s, which saw the urban landscape in Sydney and surrounding areas change dramatically.

Urban sprawl starts in Sydney

Sydney grew as energetically as ever in the 1960s, though its spread was managed and channelled by town planning. Inner city suburbs such as Waverely, Woollahra and North Sydney declined in population. Middle distance suburbs such as Strathfield, Burwood, Ashfield, Concord and Auburn remained steady. Sydney's massive population growth was largely absorbed by outward expansion in fringe areas at Blacktown, Warringah and Liverpool.

Sydney's massive population growth was largely absorbed by outward expansion in fringe areas.

Areas outside of Sydney also expanded rapidly. In Gosford and Newcastle, nearly 1000 houses per year were being built, while Lake Macquarie and Wollongong recorded 1000 houses built per annum.

Newer forms of development in both housing and the commercial sector also emerged. For example, planned shopping centres such as Miranda Fair and St Ives Village were characteristic of the decade.

REINSW lifts its profile

When the REINSW Public Relations Committee met for the first time, there was concern about the vague image the public had of REINSW. They came up with the idea of an official week to promote the real estate profession and place REINSW and its members in a favourable light. Distribution of a promotional kit and advertising in both state and local newspapers promoted Real Estate Week.

Dorothy Rosewell, an agent in business at Woollahra, was one of the most active planners. She publicised the concept among REINSW members in the region and impressed upon them the importance of emphasising their membership of REINSW.

Property management in the spotlight

Multiple-unit housing blocks containing dwellings labelled 'home units' grew quickly in the 1960s. The complexity of managing numerous units was a new experience for many real estate agents. A special committee of REINSW was established to investigate home unit management, which recommended the formation of a Property Management Division.

In its first annual report, the REINSW Property Management Division noted the large number of applications it had received from its membership. By August 1966, 500 financial members had been accepted.

100 years

1961

The sixth decade 1960 to 1969

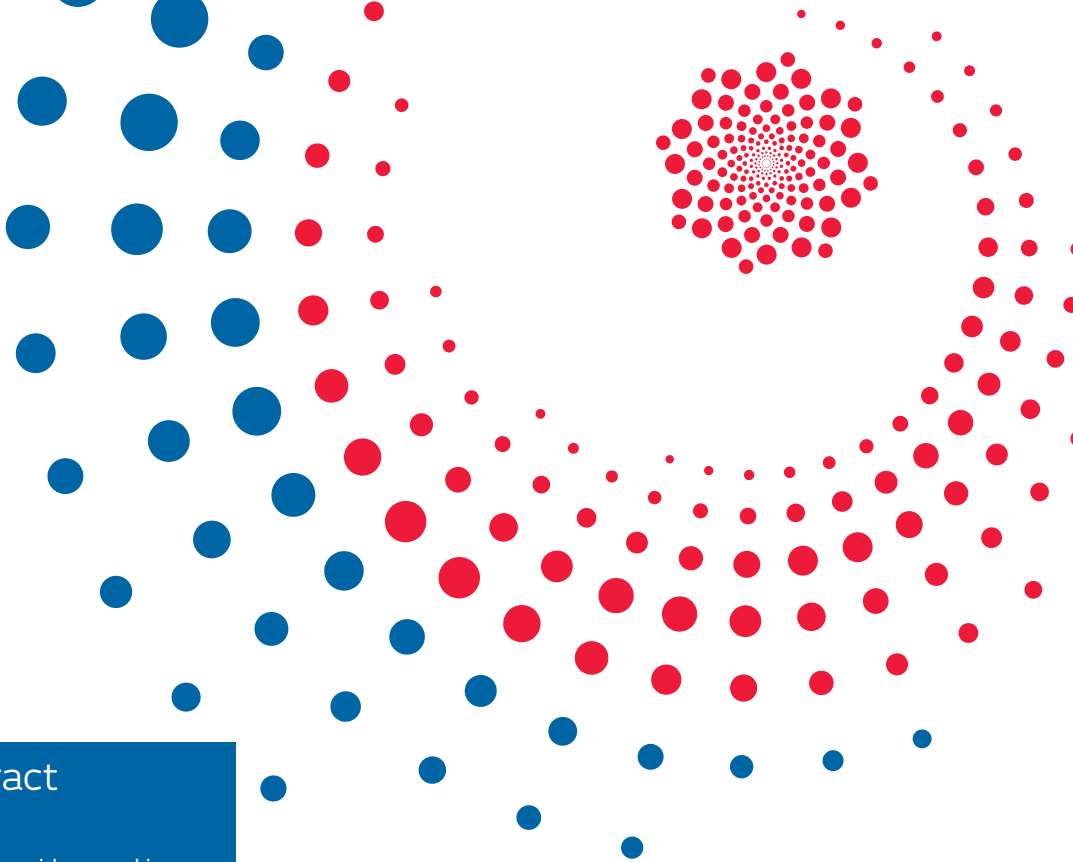
- Strata Titles Act is passed.
- Census figures reveal a 22 per cent increase in houses purchased by instalment.

1962

- Owner-builders account for 30 per cent of new dwellings, compared to 50 per cent in the 1950s.

1964

- REINSW purchases offices in its own name at 61 Goulburn St, Sydney.



Real estate franchises attract negative publicity

Franchising of real estate offices became more widespread in the 1960s. But several businesses did not press their staff to familiarise themselves with the ethics of estate agency.

There were significant disputes in this period which tainted the image of real estate agents. Late in 1965, for example, a franchised office in Sydney was accused by a competitor of unethical behaviour. Upon investigation it was revealed that the manager of the Crows Nest office was following company policy when he listed properties from the signboards of other agents.

This prompted the REINSW Board to remind the franchise's head office that this practice directly contravened the Code of Ethics for real estate agents.

Strata Titles Act a turning point

Political pressure from REINSW, developers and other bodies was sufficient to encourage the State Government to pass the *Strata Titles Act 1961*. REINSW made arrangements to educate members about the Act by engaging a qualified person to address members and including an article on the Act in the *Real Estate Journal*.



REINSW purchases offices at 61 Goulburn St, Sydney in 1964.

1965

- Canterbury municipality emerges as the major area of unit building.
- The Housing Loans Insurance Corporation is formed, encouraging lenders to advance more money for home purchase.

1966

- Owner-occupied houses reached a peak of 71.8 per cent of all houses.
- The Property Management Division of REINSW is inaugurated.
- Annual Real Estate Week celebrations begin.

1967

- Licensing laws are amended to stipulate that applicants must be over 21 years and have two years' experience in real estate.
- The inaugural meeting of the Business Brokers' Division of REINSW is held.

1969

- The cost of purchasing a home is growing by seven per cent annually.

Presidents

- HA Gorman**
1960-1961
- AD Clifford**
1962-1963
- W Weight (OBE)**
1964-1965
- SF Hickson (AM)**
1966-1967
- CS Dyson**
1968-1969

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.

Dismiss the recession - build your boom

Explode your income to new levels. Create your own multi-million dollar earning program. Find out how ordinary people became extraordinary income producers. Book a standard ticket (\$790) before August 12, 2010 online now and avoid the last minute rush price.

[Book Now >>](#)

BWIREC's Eight Real Estate Champions

The BWIREC 2010 annual convention will be featuring well known national and international real estate professional speakers. There are eight key note speakers have confirmed to speak at BWIREC 2010 below. Enjoy a more productive working career and at the same time balance it with a rewarding personal life. This and more is on offer at this years BWIREC.



Peter Huang

CEO of YONG Real Estate, turned \$ 100 into \$ 80M net assets.



Wendy Alexander

CEO of Barfoot & Thompson, controlling a 35% market share of Auckland city.



James Tostevin

Director of Marshall White, is producing a personal gross fee of \$ 4M a year.



Matthew Gross

Director of National Property Research, worked in the property industry for 19 years.



Amber Werchon

Director of Amber Werchon Property, multimillion-dollar fee producer.



Tom Panos

Director of News Limited, top auctioneer, top real estate achiever and speaker.



Wayne Ihaka

Principal of LHI Real Estate Group Double Bay, \$ 40M+ a year in personal sales.



Chris Hanley

Principal of Byron Bay First National Real Estate, controlling over 50% of the local market.

Keep learning

REINSW
TRAINING
LIFT-OUT

What's on

Over the coming months, REINSW will host some of the biggest learning events in real estate. Watch this space for updates.

Holiday & Short Term Rentals Conference

The industry has undergone significant growth in recent years, bringing new challenges and opportunities. REINSW will address these issues at a one-day conference where you'll hear from key industry players who will provide a timely and insightful look at how to create a unique tourism experience.

Event highlights:

- Find out about Tourism NSW initiatives that are supporting the industry.
- Protect your business against credit card fraud by learning how to recognise the common signs of fraud and what to do if it happens.
- Optimise your business's online presence with a better understanding of the online buying cycle.
- Discover why you should treat each property as a 'profit centre' with secrets from successful holiday letting agents.
- Learn about the latest technological tools that will maximise exposure of your properties across the web.

Breakfast Club: Top 10% Agency Best Practice

At the REINSW Breakfast Club, speakers offer practical solutions that will help you rise to the challenges posed by everyday real estate practice.

The upcoming session to be held on 11 August 2010 will focus on agency best practice. Former REINSW President Robert Bevan OAM will discuss the results of his latest research on the systems and policies being used by the top 10 per cent of agencies to achieve outstanding levels of profitability, and improve market share and turnover.

SAVE THE DATE

On 27 October 2010, Sydney will host the 2010 Women in Real Estate conference. Inspirational women in the real estate industry will talk about their successes and provide valuable insights. More information about speakers will be available soon.



Hear from key industry players who will provide insights on creating a unique tourism experience at the Holiday & Short Term Rentals Conference.

REINSW Training Calendar

AUGUST/SEPTEMBER 2010

AUGUST

MON	TUE	WED	THU	FRI	SAT	SUN
2	3	4	5	6	7	8
SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)						
	SYDNEY CPD Prepare for selling like never before (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues	SYDNEY Property Management Forum (3.00pm-5.00pm)			
		ECHUCA CPD An agent's guide to tax & property investment (9.00am-1.00pm)	SYDNEY CPD Essential skills and communication (9.00am-5.00pm)			
9	10	11	12	13	14	15
CANBERRA Course in Property Practice (full time) – 5 days (9.00am-5.00pm)						
	WOLLONGONG CPD An agent's guide to tax & property investment (9.00am-1.00pm)	SYDNEY Breakfast Club (7.30am-9.30am)	NEW ENGLAND DIVISION Novice Auctioneers Competition			
	SYDNEY CPD Make your look your hook (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues				
		CENTRAL COAST DIVISION Novice Auctioneers Competition				
16	17	18	19	20	21	22
SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)						
		SYDNEY Real Estate Licensing Course (part time) continues	SYDNEY CPD Essential skills and communication (9.00am-5.00pm)			
						
23	24	25	26	27	28	29
	SYDNEY CPD Prepare for selling like never before (9.30am-1.30pm)	SYDNEY Real Estate Licensing Course (part time) continues	ORANGE CPD Rural Real Estate (9.00am-1.00pm)			
30	31					
SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)						
	SYDNEY CPD An agent's guide to tax & property investment (9.30am-1.30pm)					
<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>						

SEPTEMBER

MON	TUE	WED	THU	FRI	SAT	SUN
		1	2	3	4	5
<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 CPD Essential skills and communication (9.00am-5.00pm)</p>			
		<p>SYDNEY Real Estate Licensing Course (part time) continues</p>	<p>NORTHERN BEACHES DIVISION Novice Auctioneers Competition</p>			
6	7	8	9	10	11	12
<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>SYDNEY Real Estate Licensing Course (part time) continues</p>				
13	14	15	16	17	18	19
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
	<p>SYDNEY CPD Steps to listing success for property managers (9.30am-1.30pm)</p>	<p>SYDNEY Real Estate Licensing Course (part time) continues</p>	<p>NORTHERN BEACHES Property Management Forum (8.00am-10.00am)</p>			
	<p>CANBERRA CPD Commercial Leasing Practice (9.00am-4.00pm)</p>	<p>CANBERRA CPD Green Leases (9.00am-1.00pm)</p>	<p>SYDNEY CPD Essential skills and communication (9.00am-5.00pm)</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>WOLLONGONG CPD Essential skills and communication (9.00am-5.00pm)</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	OCT 1		
<p>SYDNEY Course in Property Practice (full time) – 4 days (9.00am-5.00pm)</p>						
<p>SYDNEY Real Estate Licensing Course (full time) – Week 1 Market Property, Agency and Self – 5 days</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>					

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

Coffs Harbour 16 September 2010

Newcastle 30 September 2010

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

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.

Echuca 4 August 2010

Wollongong 10 August 2010

Sydney 31 August 2010

Sydney 28 September 2010

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

2010 NOVICE AUCTIONEERS COMPETITION

Do you think you have what it takes to be an auctioneer? Enter now or come along to these exciting Divisional events.

Central Coast Division 11 August 2010

Northern Beaches Division 26 August 2010

East Division 6 September 2010

Albury Division 10 September 2010

St George & Sutherland Division 21 September 2010

Inner West Division 28 September 2010

BREAKFAST CLUB –TOP 10% AGENCY PRACTICE

3 CPD points

Take the guesswork out of business growth by implementing best practices. Industry expert Robert Bevan will reveal the systems and policies of the top 10% of agencies to achieve outstanding profitability, and improve market share and turnover.

Sydney 11 August 2010

Cost One Breakfast Club event \$65 REINSW members / \$90 Non-members. Four Breakfast Club events \$208 REINSW members / \$288 Non-members

ESSENTIAL SKILLS AND COMMUNICATION

12 CPD points

Success in real estate depends upon two critical skills – effective communication and listing properties. This dynamic one-day course will reveal the secrets to mastering both!

Sydney 5, 19 August 2010

Sydney 2, 16, 30 September 2010

Wollongong 23 September 2010

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

MAKE YOUR LOOK YOUR HOOK

12 CPD points

A first impression can mean the difference between winning or losing big sales, big jobs, big clients and big opportunities. This course is about adding polish, presence and substance to outclass your competition. Stand out from the crowd and be unforgettable!

Sydney 10 August 2010

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

PREPARE FOR SELLING LIKE NEVER BEFORE

12 CPD points

The successful conversion of a sale is 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 and enjoyable service encounter.

Sydney 3 August 2010

Sydney 24 August 2010

Sydney 21 September 2010

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

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.

Orange 26 August 2010

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



TRAINER OF THE MONTH

Joy Russo

Joy Russo is a trainer and assessor with a wealth of experience in both corporate management and real estate. She has a reputation for engaging students by taking a practical and creative approach to teaching. These skills have seen her train in many business sectors including education, IT, not-for-profit organisations, real estate and retail.

"I'm extremely outgoing and like to make sure everyone has fun in my classes," says Joy. "My approach to teaching is influenced by the audience – I consider the dynamics of the class which helps me decide how to deliver the training."

Joy is a licensed real estate agent, auctioneer and a Justice of the Peace. Her area of expertise is training trainers. For example, she teaches Real Estate and TAA Certificate IV in Training and Assessment to professional trainers and L&D specialists.

Previously a graphic design trainer, Joy moved into real estate when she married an agent. "I discovered an area of training that I wanted to move into," she says.

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.

 **REINSW** 100 years
A century of real estate industry leadership

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."

New player in property products

In June, Sydney Harbour acted as a spectacular backdrop for the official launch of two industry-owned property products in NSW.

Real estate professionals from across NSW gathered at the Sydney Opera House in June to launch propertyDATA.com.au and realestateVIEW.com.au. The event marks the fifth state in which the industry-owned data product and portal will be operating.

Petra Sprekos, General Manager of propertyDATA.com.au and realestateVIEW.com.au says the launch marks a significant milestone in the company's plans to service agents Australia-wide. "As NSW is the largest property market in Australia, this expansion will allow us to become one of the leading offerings in the country."

At the launch event, REINSW President Wayne Stewart said a new, quality offering in the marketplace would spark much-needed competition. "We have been held to ransom by the big players for too long – it's time to take back control of our data," he says.

Enzo Raimondo, CEO of the Real Estate Institute of Victoria which started the services, then addressed attendees. He spoke about the success of the products in Victoria and looks forward to similar growth in NSW following this partnership with REINSW.

"We've been doing a lot of work over the past 18 months putting together a national platform – not just a portal for consumers to search for property but, more importantly, the tools that agents need for managing those listings," said Mr Raimondo.

"We have been held to ransom by the big players for too long – it's time to take back control of our data."

REINSW CEO Tim McKibbin added: "We've been looking over the fence at Victoria and can see that they've got it right ... it's what the real estate profession in NSW has been waiting for."

propertyDATA.com.au combines recent data collected from real estate agents together with State Government official records, providing over eight million recent and historical sales records. realestateVIEW.com.au is the third largest property portal in Australia, with over 100,000 listings online and 542,997 unique visitors*.

Special offer

propertyDATA.com.au and realestateVIEW.com.au are currently offering an \$1,800 discount off the yearly subscription fee to the first 100 subscribers. For \$385 per month for metro agents, and \$275 per month for regional agents, foundation membership provides access to:

- **propertyDATA.com.au**, a data product that provides the latest sales and auction results collected via the REINSW call centre; access to the dynamic prospecting tool known as GoProspecting; and 'on the market' data to get a well rounded view of the marketplace.
- **realestateVIEW.com.au**, an online portal that provides a cost-effective advertising solution; free multi-loading to the large portals; free access to a rental archive that allows you to benchmark rental values in the market; and free website powering. ♦

For more information on how propertyDATA.com.au and realestateVIEW.com.au can benefit your business visit www.realestateVIEW.com.au/NSWLaunch.

** Statistics based on Nielsen-Netratings.*





Top: REINSW President Wayne Stewart

Middle (l-r): CEO of the Real Estate Institute of Victoria Enzo Raimondo and REINSW CEO Tim McKibbin

Bottom: REINSW member Rees Coleman learns more about propertyDATA.com.au and realestateview.com.au.

“

As NSW is the largest property market in Australia, this expansion will allow us to become one of the leading offerings in the country.

”



Adam Wylie from Ray White (pictured with Petra Sprekos) was the first agent in NSW to subscribe to propertyDATA.com.au and realestateVIEW.com.au. He received a \$3000 video package and an iPad.

Real policies: State Conference

REINSW recently reviewed its lobbying platforms in preparation for the upcoming State and Federal elections.

The REINSW State Conference, held on 28 May 2010, focused on developing and refining policies around planning, tenancy, agency best practice and tax.

These policies will underpin REINSW lobbying activities, which will ensure member interests are represented in the lead up to the State and Federal elections.

The four key policy areas are:

1 Real Space – planning, rules and restrictions, and dealing with regulatory bodies

2 Real Tenancy – promoting investment properties and supporting landlords

3 Real Agency – promoting increased standards and less regulation

4 Real Tax – lobbying for a fairer tax approach to property ownership.

REINSW aims to create, enhance and sustain a viable, equitable and ethical property market. ♦



Joanne Seve, a solicitor with more than 20 years' experience advising on Australian stamp duties, led discussion on the Real Tax policy.



THE WARATAH NETWORK

The induction ceremony of foundation members of the Waratah Network – real estate agents who have been in the industry for more than 20 years – took place at the REINSW State Conference.

Back row (l-r)

Tim Anderson – Life Fellow, Woodrow Weight Award
Chris Fitzpatrick – REINSW President 2001-2003, Life Fellow, Woodrow Weight Award
Robert Frewin – REINSW President 1970-1971, Life Fellow
Cristine Castle – REINSW President 2005-2007, Woodrow Weight Award
Steve Martin – REINSW President 2007-2009
Stephen Francis – REINSW President 1997-1999, Life Fellow

Front row (l-r)

John Hill – REINSW President 1999-2001, Life Fellow, Woodrow Weight Award
Wayne Stewart – Current President
Robert Bevan OAM – REINSW President 1987-1989, Life Fellow, Woodrow Weight Award
Russell Jackson – REINSW President 1974-1975, Life Fellow
Paul Deegan – Life Fellow

Foundation members not in attendance:

Robert Weight – REINSW President 1995-1997, Life Fellow
Rowen Kelly – REINSW President 2003-2005, Life Fellow, Woodrow Weight Award



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Contact our Customer Service Team today on 1300 695 645 or email admin@realestateview.com.au for more information.

Lead generation secrets

BY KRISTINA MILLS

Generate quality leads for your business with these marketing tips.

If you're like most agents, you've probably tried dozens of different types of letterbox flyers – some have worked and some haven't. Maybe you do direct mail, bus seat advertising and perhaps have even featured a banner ad online or bought leads from a lead generation service.

So, what's the key to really standing out and generating a large number of highly qualified leads quickly?

Offer something for nothing

In an industry where your competitors are offering free market opinions or appraisals (which have very low perceived value), it's easy to stand out by offering valuable information in a 'no strings attached' kind of way. That valuable information might take the form of an e-book, e-course, or a workshop on a specific topic that relates to the seller's area of interest.

The key in all this is 'valuable'. A potential seller's perception of you as a salesperson is in direct proportion to how intelligent and how valuable they find the information that you give them. If it looks pedestrian they'll perceive

your approach to be pedestrian. If, instead, it offers high quality information that answers questions and solves problems, they'll see you as someone who knows their stuff – someone who cares – someone who will be great to entrust with the sale of their home.

Advertising channels

Many different forms of advertising can work like wildfire for real estate lead generation including flyers, ads in the real estate section of the paper, ads in early general news, online Google ads, and even bus seat advertising if approached correctly. It's simply a case of ensuring the creative is right.

The right creative

The keys are:

- Produce the material, whether it is an ad or a flyer, in an editorial format. In other words, copy intensive with a news style headline.
- Have a benefit-oriented headline that screams out what you're offering.
- Feature copy and visuals to illustrate the value of the offer

– graphics of the offer (e.g. a screenshot of the document), and details of what they'll learn inside (e.g. the issues covered on different pages).

- Include a strong call to action. For example, 'Visit our website to grab a copy of this valuable real estate guide. Only 20 copies available so respond now.'

KEY LEAD GENERATORS

The first step is to go back to basics and recognise that lead generation is about five things:

- Identifying a need or frustration – selling their home quickly, for the highest price etc.
- Offering a solution to that problem
- Building a relationship
- Giving a powerful incentive to act
- Building the relationship after the lead is generated.

It's about doing these things in a very powerful way – a way that stands out from every other lead generation activity out there.

Case study

Using an online lead generation system, a Brisbane-based real estate salesperson received up to 30 leads per week (excluding open home leads). This system involved a personal website featuring a number of downloadable reports as well as print advertising, flyers and Google advertising.

To automate the system, the combination of a telephone answering system and online response forms ensured the salesperson didn't get bogged down in administration.

The right strategy for you will depend on the size of your agency and resources available. But there are some simple steps that will help you get a more sophisticated lead generation system off the ground. ♦

Kristina Mills is a direct marketing consultant who specialises in creating online lead generation systems for real estate agencies. To find out more or download free articles on lead generation and marketing call Kristina on 07 3353 1107 or visit her website at www.wordsthat sell.com.au



“The right strategy for you will depend on the size of your agency and resources available.”

SEVEN STEPS TO CREATING A LEAD GENERATION SYSTEM

- 1 Decide on what you want to be seen as an expert in. Create an e-book, book, report, workshop, or e-course that offers valuable information.
- 2 Develop powerfully written market material that maximises the lead generation power of the marketing piece – and promote it.
- 3 Once people read your letterbox flyer or click on an online ad promoting your free report, they are then directed to call a hotline number (with an answering machine message) or fill out an online request form.
- 4 Provide the option of downloading the information or receiving it by mail. Hopefully, they'll be so impressed with the value of what they receive that they'll be more receptive to a phone call from you.
- 5 Follow-up by phone, qualify the prospect and secure an appraisal or listing presentation.
- 6 If they're not interested in an appraisal or they're not ready to sell right now they should then go onto a nurturing schedule. For example, the first-home buyer might receive a series of first-home buying tips. It's easy to set up a series of scheduled auto-responder emails to automatically roll out to these prospects.
- 7 It may sound like a lot of work to set up, but that effort on the front end can pay massive dividends on the back end.



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An agent's duty of care

A real estate agent was recently found liable for the injury of a tenant at a rental property and ordered to pay damages.

When a tenant was injured at one of Century 21 Brough & Sons' properties, the incident signalled the beginning of a landmark lawsuit for the real estate industry. The judge found in favour of the plaintiff and Tim Simpson, the managing agent and Principal of Century 21 Brough & Sons, was ordered to pay 75 per cent of \$843,136 plus costs in damages.

The plaintiff (tenant) was injured when his arm smashed through a glass panel in the front door of the rented premises. He sought damages for alleged negligence by the managing agent and the owner because the door did not have safety glass.

The incident

The defendant (managing agent and owner) presented evidence suggesting the injury was caused when the plaintiff, during an argument with his ex-partner, deliberately placed his arm through the glass. The plaintiff argued that he tripped and fell on the front steps. In doing so, his arm penetrated the glass and lacerated his right hand and forearm.

One month prior to the plaintiff's injury, an intruder smashed a glass panel in a bedroom during an attempted burglary. The plaintiff's expert stated that the defendant, now aware that the property had annealed (non-safety) glass, should have installed safety glass to the front door as well.

While the use of annealed glass was permitted at the time of the construction of the property, this glass doesn't conform to current Australian Standards.

Judgment

The judge accepted the plaintiff's account as to the circumstance of his injury. He also noted that in 1998 the agent employed a handyman to replace glass

"I've been a member of the real estate profession for more than 40 years and ... I didn't anticipate the outcome."

at another location. Despite his experience in the real estate industry, the handyman was not suitably qualified or appropriately supervised by the agent; if a glazier had been used, a recommendation would probably have been given to replace annealed glass in areas of foreseeable possible human impact, stated the judge.

Agent responsibility

As a result of these considerations, the judge concluded that it was reasonable to expect the agent and owner to take the precaution of installing safety glass at the time they were made aware that annealed glass was present throughout the premises. The Court found the agent 75 per cent liable and the owner 25 per cent liable. Realcover is, however, appealing the decision.

The defendant, Tim Simpson, was shocked by the judge's decision. "I'm lost for words," he says. "I've been a member of the real estate profession for more than 40 years and, despite my extensive experience, I didn't anticipate the outcome." ♦

PI INSURANCE: ARE AGENTS COVERED?

While Tim's professional indemnity insurance will take care of the judgment and any consequent orders, he says the incident is a timely reminder of how a lawsuit can financially cripple a real estate agent who isn't covered.

He goes on to say that his insurer, Realcover, assisted him throughout the legal process. "I felt supported every step of the way with excellent legal representation," he says.

Michael Lynch at Realcover believes the decision raises the question of whether a \$1 million professional indemnity insurance policy is sufficient.

He says: "It is essential that agents should heed the warning of having professional indemnity insurance and review the amount of cover they have."

“

It is essential that agents should heed the warning of having professional indemnity insurance and review the amount of cover they have.”

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Your questions answered

Members of the REINSW Young Agents Chapter answer frequently asked questions from real estate professionals starting out.

How do I know if real estate is the right career for me?

Braden Walters, Young Agents

Chapter Chair: A good way to think about real estate is as a team sport. There are many positions on a team. If you feel that playing one position has become too hard or is not the right fit for you, then I would suggest looking at another position. But, most importantly, the only way to find out whether to pursue a career in real estate is to participate.

Of course, there are hurdles along the way. My advice to young agents is to stick it out. If you are consistently unhappy, speak to your Principal who will help you troubleshoot any problems and work out a more suitable career path.



Braden

Becoming a success in real estate takes time. This may cause you to question why you are in the industry. But your doubts will be allayed when you start to see the benefits of all your hard work.



Eddy

How do I fast track my career in real estate?

Eddy Sydney Piddington, Young Agents Chapter Deputy Chair:

I remember when I first started in real estate sales. I was earning \$300 per week as a receptionist trainee. But it didn't take long for my situation to improve. Just five years later I'm one of Sydney's highest grossing agents under 25.

I don't believe you can fast track success. Some of my experience has helped advance my career, other roles haven't.

I have worked at four different companies in various roles including receptionist, property officer, leasing consultant, property manager, personal assistant and junior sales agent. Today I am a senior sales agent.

The most important thing is to have a long-term outlook, find your specialty and not be fixated on making lots of money immediately. Everyone is different and success will come at its own pace. Sometimes it may take longer than expected but, always remember, it will come eventually.

Are goals important?

Amanda Stiles, Young Agents Chapter Committee Member:

As in any career, it's important to have goals to stretch towards. They will motivate you when

you're feeling frustrated or finding work particularly difficult. However, it's also important to set the right goals. Aspiring to run your own agency may be your ultimate dream, but you need to ensure you have some achievable short-term goals.

Short-term goals can be set on quarterly or annual bases and will help you stay focused and inspired. These 'mini goals' will ultimately lead you to your dream, whatever that may be.

It is also important to understand that your path in real estate will have its own twists and turns. Building flexibility into your career will open up more opportunities – you may even find yourself setting goals that you hadn't thought of at the start of your career.



Amanda

How do you stay motivated?

Jessica Thei, Young Agents Chapter Committee Member:

It's easy to become disheartened and overwhelmed when you start your career in real estate due to the demanding nature of the industry. What with finding leads, satisfying current clients and the ever-changing legislations that govern our profession, staying motivated is extremely important. Here are some tips that have helped me throughout my career:



Jessica

“
 Keep things in perspective by listing reasons why you decided to start a career in real estate. Is it because you enjoy working with people? Like the challenge of prospecting?
 ”

- Have a clear vision of what it is you want to achieve professionally.
- Enjoy your successes and reward yourself. For example, give yourself a reward when you achieve your objectives or reach specific milestones, as this will give you something to look forward to.
- Keep things in perspective by listing reasons why you decided to start a career in real estate. Is it because you enjoy working with people? Like the challenge of prospecting? Make a point of reminding yourself of these reasons.
- Maintain a healthy work/life balance and think positively. You could join a team sport or start a new hobby, which will help you stay positive. ♦

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BY GARY TRIGANZA

Periodic inspections

What every property manager should be aware of when conducting a periodic inspection.

A co-defendant at trial, the property manager sits in a courtroom witness box. He is questioned about a periodic inspection that occurred three years prior, with every detail of the condition report under scrutiny. He could be held accountable for injuries sustained by a tenant who fell from a balcony because he didn't check the balcony rail, which was loose at the time.

This is a very real scenario a property manager could face if they miss a major defect that leads to an injury or death of a tenant or occupant during a periodic property inspection.

Before the inspection

Before you conduct a property inspection (say 24 hours prior) contact the leaseholder and find out whether they will be present. Having a tenant there is preferable because they can point out any defects. If they won't be there, take the opportunity to confirm over the phone whether any pets will be on site or if the property has an alarm system.

Upon arriving at the property, press the intercom or doorbell three times and then knock on the door three times. This might seem excessive but you do not want to walk in on a tenant who is not prepared for you.

When conducting periodic inspections, you are looking for many things – some related to the leaseholders and how the property is being maintained (or not maintained) and some not related to the leaseholders such as the general deterioration of the property and potential hazards.

Check smoke detectors

If a smoke detector is not working, the property manager is responsible to have it fixed immediately. However, if the battery is missing the tenant may have tampered with it and needs to be informed in writing that he or she is in breach of the tenancy agreement.

Arrange a re-inspection once the issue is resolved so that you can witness that a new battery has been installed. Also request that the tenant informs you in writing that they have installed a new battery and that the smoke detector is now functioning.

Inform relevant parties

Once a property manager has identified any maintenance issues, they are responsible for bringing these matters to the owner's attention and recommending they be rectified immediately.

Should the owner be unreceptive to facilitating and financing the required repairs, the property

manager must notify them in writing that they are in breach of the *Residential Tenancies Act*.

The agent should also notify the owner of the penalties of a breach of the Act. These include rent rebates for a stove or toilet that isn't working, and could escalate to significant financial damages if a leaseholder is injured or dies



COMMON DEFECTS THAT CAN BE MISSED

- a malfunctioning smoke detector (or one that needs a new battery)
- mould
- structural cracks
- loose or rusted balcony rails (or loose stair rails)
- dry rot (the decay of timber in buildings and other wooden structures caused by certain fungi)
- swimming pools that are not fenced off according to regulations

due to an unrepaired fault, such as failure to act after identifying the presence of white ants.

Bring a camera

Take photos during periodic inspections. These images should be used to show the landlord any defects. They can also help monitor potential problems, such as whether mould is worsening over time.

In the event of a hearing at the Consumer, Trader and Tenancy Tribunal (CTTT) to resolve a bond dispute, photographic evidence can be submitted as long as it is correctly dated, addressed and documented. Periodic inspection reports and photos can support the landlord's position and show due diligence on the part of the property manager.

Precautionary measures

When conducting a periodic inspection, make sure that you have taken every step to ensure that you have acted according to the relevant legislation and regulation. And ask yourself: 'Will my non-actions or adverse actions cause me to be negligent?' ♦

Gary Triganza is a senior property manager at Kelly & Sons Real Estate in Newtown. He is also the Deputy Chair of the REINSW Property Management Chapter.

“

Upon arriving at the property, press the intercom or doorbell three times and then knock on the door three times. This might seem excessive but you do not want to walk in on a tenant who is not prepared for you.

”



CASE EXAMPLE: WU V CARTER (2009)

In the Supreme Court case of *Wu v Carter* (2009) NSWSC 355, the Court was concerned with the duty of care for maintenance and repair of a property. The leasing agent completed a condition report, which claimed the balcony was in good condition. The plaintiff later sustained significant injuries when a timber railing on the unit balcony gave way causing her to fall to the ground. The court found the condition report to be erroneous and judgment was entered in favour of the plaintiff. More than \$700,000 in damages was apportioned between the leasing agent and the owner's corporation.

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BY COLIN ROOKE

More than guesswork

Working out the 'true' estimated selling price of a property takes time and effort.

Underquoting or misquoting of estimated selling prices has been a major concern of government, real estate consumers and supervising agencies for some time. This issue has been addressed directly in Sections 72, 73 and 75 of the *Property, Stock and Business Agents Act 2002* (NSW).

The Office of Fair Trading, which oversees this Act, has nominated items which should be considered when an agent is determining an estimated selling price. I believe the most important point is 'sales of comparable properties'.

What is a comparable sale?

Comparable sales are market transactions which are the basis of a direct comparison method of valuation or market appraisal. Analysis of comparable sales also provides key indicators in other methods of valuation.

Direct comparison is the most widely used and accepted method of establishing a value, and was referred to as the 'conventional valuation technique' by Steven J in *Riverbank Pty Limited v Commonwealth* (1974). To be of benefit, comparable residential sales should be reasonably similar in terms of location, size, tenancy and permitted land use.

No two properties are exactly the same. Even in a newly completed home unit development aspects, levels, outlook and views vary. Therefore, sales need to be analysed and adjusted before being applied.

Researching market transactions

A good place to start is revisiting your own sales history. This gives agents intimate knowledge of the positives and negatives of certain properties. Relevant, recent sales by agents in your geographical area will also provide the information needed to make an informed valuation. This data can be confirmed through discussion with REINSW members, online portals, data products, and the NSW Government Land and Property Management Authority.

Once the research has been completed, an external inspection and physical comparison of the properties is essential. This inspection should note the most comparable properties and the least comparable properties, with reasons and other notations.

Applying analysed data

Having researched, inspected and selected the comparable sales, the data then needs to be analysed. A simple sales analysis table can be made by listing the address of the



TEST OF LAND VALUE

Isaac J's test of value of land in *Spencer v Commonwealth of Australia* (1907) continues to be recognised as the benchmark for market value definitions. In relation to valuation and sales analysis, Isaac J stated: "we must ... be perfectly acquainted with the land and cognizant of all circumstances which might affect its value, either advantageously or prejudicially, including its situation, character, quality, proximity to conveniences or inconveniences, its surrounding features and the then present demand for land."

“
Showing this knowledge and analytical expertise when developing the recommended true and reasonable selling price gives a client confidence.
”

comparable property, sale price, sale date, number of bedrooms and bathrooms, garages, land area, strata area and style.

Mathematical analysis, together with your considered adjustments, should then be completed. For example, you might add value for additional bedrooms or superior views and reduce value for an undesirable location or outstanding repairs.

How old is too old?

If a property isn't particularly comparable or it is an 'aged sale', there will be better market

evidence available. If a property is very comparable and the sales transaction is somewhat dated, it can be of benefit in supporting sales analysis and review – but it will need to be adjusted by applying recognised historical economic data.

It is a statutory requirement to retain all relevant notes, particularly the analysis sheets and market transactional data. Comparable transactions should not be averaged, as the cumulative effect can distort and negate any individual particularities of a property,

thus providing an incorrect assessment. In *Daandine Pastoral Co. Pty Ltd v Commissioner of Land Tax* (1943), Williams J stated: "The prices obtained at comparable sales should not be aggregated and averaged.

"The only safe course is to compare each sale with the subject land separately."

Know your market

So we have established that it is necessary to research, inspect, analyse and deduce market information and transactions, then apply this

data appropriately to the subject property.

Knowing your market demonstrates professionalism as a real estate agent. Showing this knowledge and analytical expertise when developing the recommended true and reasonable selling price gives a client confidence in your ability to achieve a successful outcome. ♦

Colin Rooke is Chair of REINSW Valuers Chapter and Director of Dyson Austen valuation business. He has more than 40 years' experience as a practising valuer.

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BY CHRIS GRAY



Don't fret about finding the best mortgage

Focusing your efforts on buying better, rather than shopping for the best home loan, could be the best investment strategy.

As a property investor who has taken out dozens of mortgages, I follow the general principle: it's not about what you pay; it's the money you make. This means I've never really spent much time sourcing the lowest interest rates, cheapest administration fees or best add-ons such as offset or redraw accounts.

In fact, I'm happy to pay slightly higher interest rates and administration fees if this means I can buy and hold more property. I've long advocated this strategy to other home buyers and investors.

Buying well

Home buyers can spend too much time weighing up one loan against another. It's true that a cheap mortgage could save you hundreds – and it's worth trying to find a good product – but a well-bought property can save you many thousands. Which would you prefer? Shifting your focus to the latter can reap rewards.

Concentrating on buying a better property can not only give you a steady stream of good rental

Concentrating on buying a better property can not only give you a steady stream of good rental returns it can also give you more capital growth.

returns it can also give you more capital growth.

That's why buying well is so crucial. They say that you make money in property when you buy, not when you sell. Whether you are an owner-occupier or an investor, this means you either want to purchase properties at less than their market value or pay a reasonable price to secure one that is likely to grow faster than the properties around it.

How do you buy well?

Switch your focus from shopping for a loan to research. Look at as many properties as possible to

get an idea of prices and know what adds value. It's common for established investors like me to look at 50-100 properties before we make a purchase in a new area. If it saves you 10 per cent on a \$300,000 property, that's \$30,000. And if you manage to get 10 per cent growth rather than 7 per cent, then that's an extra \$9000 profit every year. Can a mortgage give you savings like that within the same time frame?

Buying more

As an investor, I focus on buying as much property as I can. When you borrow more money, you often need to pay mortgage insurance and higher interest rates – this could be an extra \$5000 on a \$500,000 loan. So I need to decide whether low interest rates and fees will benefit me more than the ability to borrow more money. The answer is often that they don't.

If I can borrow more to buy just one additional property then that could equate to another \$25,000-\$50,000 I make every year beyond those additional fees.

Borrowing more money – especially when interest rates are rising – can increase your risk. This makes it even more important to buy better properties in better suburbs that can be easily rented or sold at any time. Property investing is a long-term game so you need to ensure you have enough of a cash buffer to manage any difference between your rent and your mortgage.

The bigger picture

Buyers can get so engrossed in the details, such as comparing slightly different mortgage rates, and lose sight of the bigger picture – buying the best property that will attract the best long term gains. With so much money at stake, it's crucial to keep a financial perspective, not an emotional one. ♦

Chris Gray is a leading property expert, the host of Your Money Your Call Fridays on Sky News Business Channel and CEO of Empire Property Portfolio. Chris provides market opinion in major news media. Visit www.yourempire.com.au.

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Cabaret-inspired dance performance at the Sounds of the Spectrum fundraiser.

Member agency raises money for autism

REINSW member Baird Real Estate held a fundraiser for autistic children in the Hunter region.



Maxine Baird

Autism is a cause close to Maxine Baird's heart. Her six-year-old son suffers from the disorder, along with 44 other children in her local area. As Director of Marketing and Branding for Baird Real Estate in Cessnock, Maxine was eager to raise awareness of autism and to raise funds for much needed resources.

Sounds of the Spectrum

In May she organised the Sounds of the Spectrum variety show, aiming to raise \$20,000. The event was hosted by NBN newsreader Natasha Beyersdorf and model Chloe Maxwell, who both have children with autism. There were also performances

from comedian Fiona O'Loughlin, magician Tim Ellis and former *Australian Idol* contestants.

Sounds of the Spectrum raised over \$25,000 through business donations, ticket sales, live auctions and raffles. Maxine, who also heads autism support group Strive, was thrilled with the result.

"So many local people came to support us – the event was packed out," she says.

"The community is always so supportive of fundraisers we hold and lots of people came into the office after the event to tell us what a great night they had."

Local businesses also offered their support by donating generous prizes for the silent auction, which included luxury accommodation packages and football jerseys.

Helping local schools

Maxine will use money raised at Sounds of the Spectrum to fill 'wish lists' from local schools that support children with autism. \$10,500 has already been donated to the Aspect Hunter School, which provides specialised placement options and family support for children with autism.

"It's great to be able to give back to the community," Maxine

"We were able to use the agency's well-known position within the community to raise awareness of autism."

says. "We were able to use the agency's well-known position within the community to raise awareness of autism."

Maxine is proud that other local groups are now also supporting autism with Rotary, Lions Club and The Lodge organising their own fundraising events. ♦

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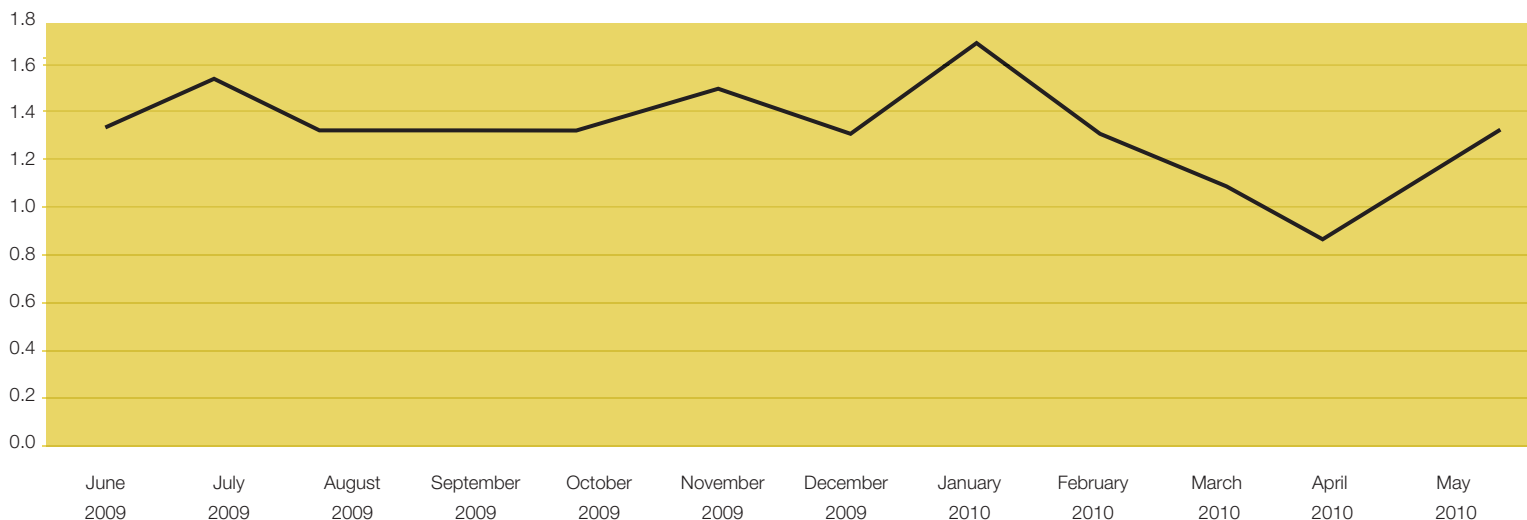
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SYDNEY	May-10 (%)	Apr-10 (%)	Mar-10 (%)	Feb-10 (%)		May-10 (%)	Apr-10 (%)	Mar-10 (%)	Feb-10 (%)
Inner	1.2	1.3	1.1	1.1	ALBURY	2.5	2.7	2.1	1.6
Middle	1.3	1.5	1.1	1.8	CENTRAL	2.4	1.4	1.4	1.9
Outer	1.2	1.2	1.0	1.3	COFFS HARBOUR	3.6	2.4	2.7	2.5
Total	1.2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



Source: REINSW Vacancy Rate Survey

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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
30/05/10	80	79.8%	53	82.5%	84	64.1%	117	70.8%	686	65.9%
23/05/10	110	76.3%	50	81.5%	90	57.8%	113	67.7%	681	66.6%
6/05/10	114	81.0%	53	87.5%	93	69.2%	120	64.7%	695	67.8%
9/05/10	118	81.0%	43	77.3%	115	83.9%	121	71.3%	744	70.9%
2/5/10	142	82.9%	44	77.3%	70	81.1%	105	71.6%	695	74.1%
25/4/10	78	84.1%	46	89.4%	58	75.8%	74	79.5%	494	74.9%
18/4/10	113	84.2%	47	87.2%	49	73.6%	64	80.9%	571	73.3%
11/4/10	75	91.0%	36	89.2%	40	77.8%	34	72.5%	446	74.6%
4/4/10	56	91.5%	12	71.4%	25	75.9%	82	74.7%	287	82.2%
28/3/10	153	87.3%	71	79.7%	145	74.7%	195	77.6%	1007	74.0%
21/3/10	96	81.0%	56	82.1%	114	82.4%	111	81.8%	679	78.1%
14/3/10	69	71.8%	36	76.9%	105	83.9%	120	71.0%	583	67.9%

*snr = sample not reliable

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