

Journal

JUL 2012
VOL 63/06



renovate your brand

What does it take
to get your brand's
mojo back?

Open for inspection

Would your agency stand up to a NSW Fair Trading investigation?

Mentors make a difference

How having a mentor can help you make the most of every situation.

Divisions united for action

REINSW held its first Divisional Chairs Conference to discuss key issues for members.



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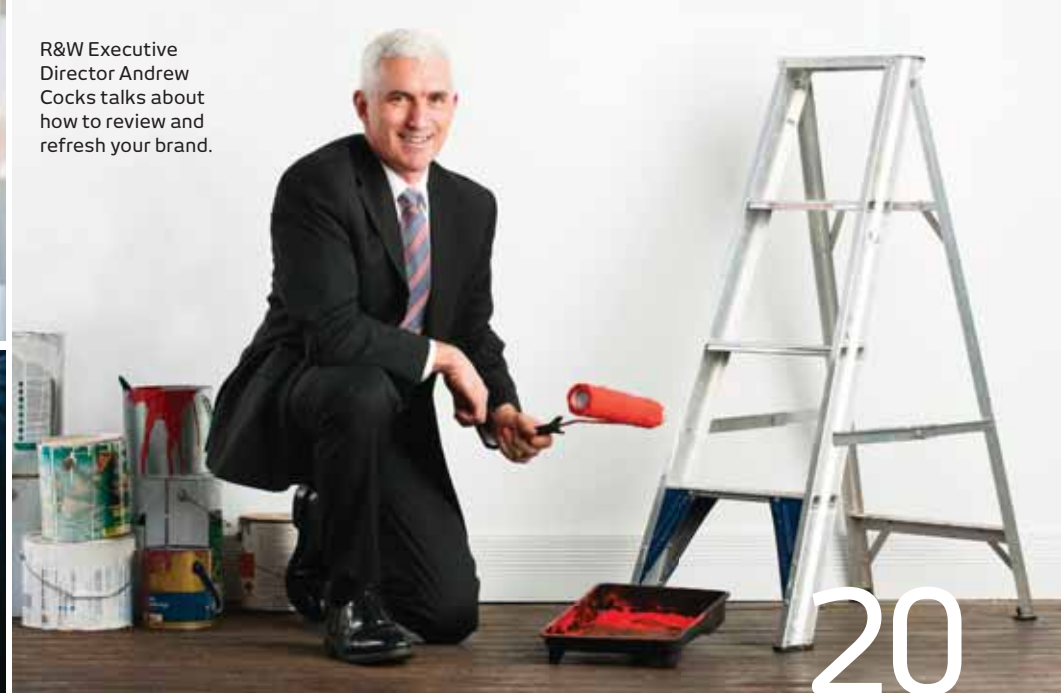
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R&W Executive Director Andrew Cocks talks about how to review and refresh your brand.



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On the road to meet members

Recently, Tim McKibbin and I travelled around NSW with Greg Paterson from the Real Estate Employers Federation (REEF) and a number of other property specialists as part of the REINSW/REEF Industry Update.

It was great to have a chance to meet so many members and hear first hand about your challenges and triumphs.

We conducted sessions at a range of locations across the state, providing members with updates on trends and issues affecting the industry, including taxation reform, planning, compliance in your office, Contractor Employment Agreements, professional indemnity insurance, property data and the *Residential Tenancies Act 2010*.

Hearing your message

At every session we took up the valuable opportunity to meet members and discuss their experience in their local market.

We were told of your concerns relating to a slowing down of the market with fewer transactions and varying degrees of price corrections within the current marketplace.

There were issues raised about coastal area holiday and short-term rentals, coal seam gas, water management and many concerns regarding taxation, with members asking about the role that REINSW can play to reduce these risks.

The most common concern that we heard about from members throughout the duration of the roadshow was the issues surrounding the supply of rental accommodation currently reflected in the low vacancy rates occurring around NSW.

Upon hearing your concerns, and in light of the increased economic uncertainty, let me assure you by saying this: we hear you. REINSW is now reviewing all of our policies to ensure they evolve in line with the issues and feedback we received from members.

Christian Payne
REINSW President



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The way forward for strata laws

The NSW Government's decision to review and where possible simplify strata laws is a step in the right direction for everyone involved in real estate and NSW generally.

Since the introduction of strata over 51 years ago, we have increasingly traded our quarter acre block for high quality, higher density living. This cultural shift in our accommodation preferences needs to be supported by a contemporary legislative framework.

In line with this, NSW Fair Trading Minister Anthony Roberts commissioned a community consultation to gain a better understanding of the concerns of the general public, experts, owners and tenants. This process saw over 13,000 participants record in excess of 1200 comments. Notably, there were close to 600 suggestions for procedural change or law reform submitted.

Major concerns raised

Noise, parking and anti-social behaviour were recognised as the major concerns associated with strata living. Pets and smoking were also cited as major areas for reform, as were procedures and standards of governance. Submissions highlighted the lack of facilities for disabled people and the challenges of short-term rentals, right through to noise issues including the playing of pianos and use of leaf-blowers.

The consultation found that there is a need to implement strata laws that simplify the

ability to budget for major works, or to help make the appropriate decisions for the termination of strata schemes.

Embracing opportunity

At REINSW, we believe it is crucial that the right decisions are made in regard to the future of older buildings. It is always important in this discussion to remember that we are talking about people's homes. However we need to recognise, as the feedback from consultation has, that there are times when buildings need major works or even demolition and that a regulatory process must be in place to respond on those occasions.

Minister Roberts and his team are currently developing a discussion paper on strata and community title laws for release mid-year. They have clearly defined that their goal is to work with the community to develop laws which will serve NSW for another 50 years.

We look forward to seeing the direction that is taken by the Minister. We encourage members to become involved in this important discussion and we will continue to update you as this process continues.

Tim McKibbin
REINSW CEO

Residential revival begins

Construction has begun on the first major residential development to be approved for the North Sydney CBD in five years.

The \$140 million apartment building, called 'Belvedere', is at the heart of North Sydney's residential revival and is set to be completed in late 2013.

During construction of the 22-storey building, 9100 cubic metres of cement will be poured, 38,000 square metres of plasterboard walls and 4800 square metres of aluminum framed windows and sliding doors will be used.

Winten Property Group is behind the development

and founder Garry Rothwell said the construction would breathe new life into the area.

"There has been a dearth of residential apartment options in the North Sydney CBD, mainly because it's been a CBD first and foremost," he said.

"But many workers who have to travel a long daily commute are now looking for alternatives that will give them back those precious lost hours, and planners have recognised this.

"Seeing Belvedere come out of the ground really drives home the fact that we're at the brink of exciting change."

Clear responsibilities for smoke alarms

A NSW Coroner's recommendation about tenanted properties put smoke alarms and the issue of who is responsible for their maintenance back in the news.

At the inquest into the 2010 death of a man in a house fire near Newcastle, NSW State Coroner Mark Buscombe recommended that real estate agents regularly check and maintain smoke alarms in the homes they manage.

REINSW CEO Tim McKibbin responded to the recommendation by saying that residential leases make it clear who is responsible for smoke alarms.

"The reality is that the landlord is required to have a working smoke alarm in the premises, while the tenant is required under the lease to replace batteries in a smoke alarm," Mr McKibbin said.

Agents should advise tenants that removing batteries from smoke detectors is now forbidden and enshrined in the *Residential Tenancies Act 2010* (NSW).

Fire & Rescue NSW will replace old smoke alarm batteries for free for the elderly and people with mobility problems.

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A computer generated image of what the development might look like.

Boost for Botany

The first plans are in place for a residential development set to be part of the push to revitalise the suburb of Botany.

Park Grove is the first development of its kind in the area and on completion in 2014 will offer urban community housing for first-time buyers, young families, professionals and property investors in two low-rise apartment buildings.

Colliers International and Toplace Developments are behind the residential development, which aims to lead a new era of residential development in the area.

Ian Bennett, Colliers International Director of Residential, said Botany is about to embark on a new era of urban renaissance.

“The development will have a new green urban community

atmosphere and will be home to a rich and diverse landscape of architecturally designed living environments and abundant open space,” he said.

“Park Grove will help pioneer the revitalisation of Botany, which will attract a surge of new residents as more upscale developments follow. This population growth will support both the local economy and Botany’s ongoing gentrification.”

Rise in finance for new dwellings

Housing finance figures show positive signs for the residential building industry as the market attempts to lift itself off the floor, according to peak building and construction organisation Master Builders Australia.

The key finance indicator, released in May, by the Australian Bureau of Statistics, shows demand for new dwellings rose in March and is beginning

to show signs of picking up, albeit from a weak base.

Loans for construction of dwellings and purchase of new dwellings, combined, increased by 3.5 per cent in March to be nearly 10 per cent higher on the same month a year ago.

Peter Jones, Chief Economist for Master Builders Australia, said it was a positive sign for the building industry.

“The industry is hopeful that lower interest rates will encourage a lift in construction-related loans and therefore building activity,” he said

“A boost to confidence from the May interest rate cut, on top of the two previous rate cuts late last year, should lead to a lift in demand for loans and recovery for a residential building industry currently in the doldrums.”

REINSW IN THE MEDIA

REINSW’s proposal to cut stamp duty, the REINSW/ REEF Industry Update, lobbying for legislative reforms and the Holiday Rental Code of Conduct have all been featured in the media.

Print

- REINSW’s lobbying for a ‘Pay As You Go’ stamp duty scheme continued to be a hot media topic, with comments from REINSW President Christian Payne and CEO Tim McKibbin in the *Bankstown Canterbury Torch*, *ninemsn* and *The Sydney Morning Herald*.
- Tim explained REINSW’s lobbying for legislative reforms through the Real Space Policy in an article for the *Illawarra Mercury*.
- The Holiday Rental Code of Conduct featured in an article for the *Byron Shire Echo* featuring comments from Tim about the benefits of encouraging and promoting effective self-regulation in the industry.

Radio

- REINSW Divisional Chair Rod Crowfoot gave a local market wrap on 2DU in Dubbo.

TV

- Tim spoke about the REINSW/REEF Industry Update on WIN News in Orange and Christian spoke about it for WIN News in Wagga Wagga.

To view all of REINSW’s media coverage and find out where we have featured on TV, radio and in newspapers, go to www.reinsw.com.au/media



New release from Rockend

Rockend is proud to announce the release of REST Professional Version 9.5. This exciting new release includes three major new features.

Automated KPI reports

REST Professional now includes three Automated Key Performance Indicator (KPI) reports. These reports provide the ability to benchmark and improve efficiency within your business. Reports provided are:

- Property Manager KPI Report
- Team KPI Summary
- Business Benchmarks and KPI Summary

The reports bring together property portfolio information making it easy to identify areas that are performing and those that require attention. When generated, an email notification will be sent to a designated email address containing a link to the report's location.

Bulk BPAY with major banks

REST Professional Version 9.5 has extended the ability

to pay creditors in bulk using BPAY® with the ANZ Bank, Commonwealth Bank, National Australia Bank and Westpac Banking Corporation.

This time-saving feature enables users to pay creditors in bulk without worrying about remittance slips and cheques.

Property water efficiency

This feature allows you to identify and report on properties

that are water efficient.

This will save you time when raising water usage invoices as it will assist you to be able to quickly determine which party is responsible for the water account without having to open multiple screens.

For more information contact Cameron Crain, National Marketing Manager, at Rockend on (02) 9330 4949 or cameron.crain@rockend.com.au

HAVE YOUR SAY

2012 REINSW Member Survey

Get what you want out of your membership!

We want to know what services and benefits you find useful – but more importantly, we want to know how we can better serve our members.

Help us help you by filling in the 2012 REINSW Member Survey.

It only takes about 10 minutes to fill in the survey – and you can win an **Apple iPad valued at \$790.***

Support your professional association so we can improve the value of your membership.

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

The survey runs until Friday, 10 August 2012.

* 32GB Apple iPad with Wi-Fi + 3G; NSW permit number LTPS/12/05138

Strong interest in investment

Despite a lack of deals in the region, Australia has retained its status as a preferred destination for inward investment, according to CBRE research.



The Asia Pacific Capital Markets Market View report shows that despite a general lack of deals in the region, several markets including Australia, China, Japan and Malaysia continued to receive strong interest for quality assets.

CBRE Regional Director, Institutional Investment Properties, Rob Sewell said office capital values in Australia continued to trend upwards on the back of solid demand for prime office assets from foreign institutional investors and domestic superannuation funds.

“The tight lending environment in Asia Pacific began to alleviate in Q1 2012 as a number of central banks across the region adjusted monetary

policy, including the Reserve Bank of Australia, which cut official cash rates by 50 basis points in May,” Mr Sewell said.

“Overall, Asia Pacific investment volume fell 42 per cent quarter-on-quarter to US\$11.6 billion in Q1 2012. However, despite the subdued sentiment for the quarter, investment volume is expected to increase in coming months, given continued investor interest in non-core assets and an easing lending environment.”

The first quarter is traditionally a quiet period, which combined with the regionally high investment volume in the second half of 2011 removed several assets from the market, Mr Sewell added.

“Office capital values in Australia continued to trend upwards on the back of solid demand for prime office assets from foreign institutional investors and domestic superannuation funds.”

Foreign property funds continued to account for the bulk of activity, while domestic superannuation funds turned more active after being relatively quiet over the past four years.

The report also found that economic growth in the Asia Pacific region is expected to moderate during the rest of the year, but is unlikely to deter investment activity as it is already anticipated among investors.

“As the risk of a major global slowdown eases, investor confidence in the region could improve as Asia Pacific will continue to enjoy higher growth compared to the United States and the eurozone,” Mr Sewell said. ♦

Sydney units still sell at a steal

Just one of Sydney's inner city suburbs has made it onto a national list of places where units can still be purchased for less than \$300,000.

Perth suburbs top the list of hot investment spots while Ultimo, west of the Sydney CBD, was ranked fifth. Brisbane did not make the list.

The inaugural Inner City Steals report, produced by *Smart Property Investment*, identified 20 Australian suburbs within five kilometres of capital city CBDs where investors can still pick up property for under \$300,000.

According to the report the inner heart of Perth is the hottest capital city investment location, with the top four suburbs on the list all located in the WA capital.

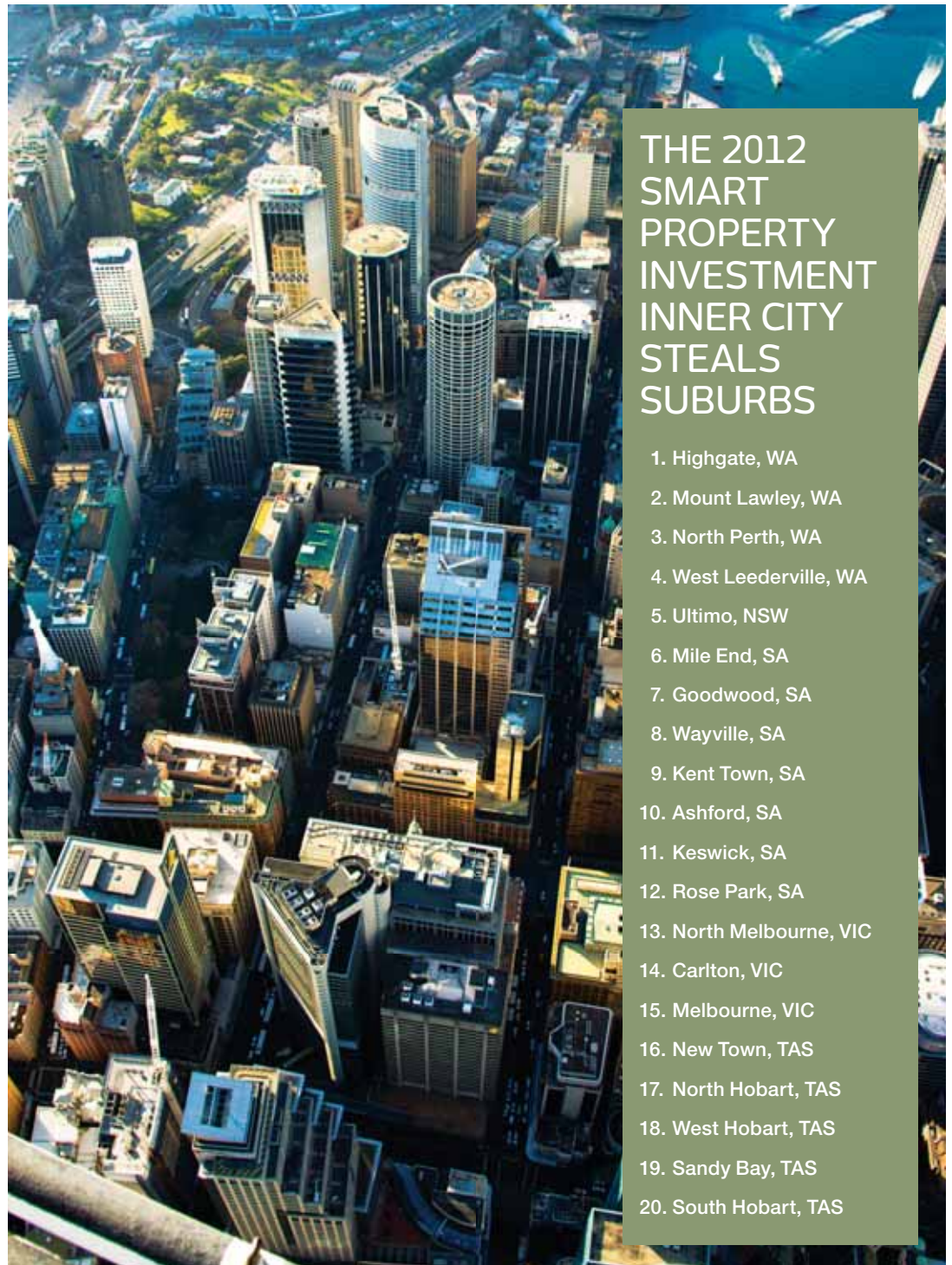
The Inner City Steals list was compiled by identifying suburbs within five kilometres of the CBDs in which one in four units still sells for \$300,000 or less. The report concentrated only on units, rather than houses.

An expert panel then ranked the suburbs according to their potential for capital growth based on a variety of indicators.

Perth took out the experts' top pick, followed by Sydney, Adelaide, Melbourne and Hobart.

Interestingly, Brisbane's inner city suburbs did not fall within the parameters of the report, however if the 25th percentile price was \$350,000 the expert panel agreed the city would have outperformed Adelaide, Melbourne and Hobart.

Smart Property Investment is a magazine and online resource for property investors and homebuyers. ♦



THE 2012 SMART PROPERTY INVESTMENT INNER CITY STEALS SUBURBS

1. Highgate, WA
2. Mount Lawley, WA
3. North Perth, WA
4. West Leederville, WA
5. Ultimo, NSW
6. Mile End, SA
7. Goodwood, SA
8. Wayville, SA
9. Kent Town, SA
10. Ashford, SA
11. Keswick, SA
12. Rose Park, SA
13. North Melbourne, VIC
14. Carlton, VIC
15. Melbourne, VIC
16. New Town, TAS
17. North Hobart, TAS
18. West Hobart, TAS
19. Sandy Bay, TAS
20. South Hobart, TAS



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BY DON JONES, ASSISTANT COMMISSIONER, COMPLIANCE & ENFORCEMENT AT NSW FAIR TRADING

Open for inspection

Would your agency stand up to a NSW Fair Trading investigation?



Nearly 50,000 individuals and corporations are licensed to work within the NSW property industry.

While the overwhelming majority of licence holders understand and meet their legal responsibilities, every year Fair Trading receives tens of thousands of complaints about strata and property managers, house or unit sales and auctions.

Most of these complaints are resolved with the intervention of Fair Trading, usually without the need for a full Fair Trading

investigation. However, every year it is necessary to investigate several hundred agencies for breaches of NSW property laws.

Whenever Fair Trading takes this action, it decides whether an agency's failure to comply with the law was through negligence, by accident, or deliberate action.

Good agencies can avoid both consumer complaints and Fair Trading investigations by taking the time to get business fundamentals right.

Of course, there is no single prescription for the types of policies and procedures that can guarantee compliance with all NSW laws. Agencies need to think about their business activities, the size of their business and the way they are structured when setting up these policies and procedures.

Industry associations such as REINSW play an invaluable role in assisting businesses to comply with the law. The following information may also assist business operators across the NSW property

AVOID COMMON MISTAKES

While there are many elements to running a successful agency that meets its legal obligations, Fair Trading suggests that agencies pay particular attention to:

- Hiring the right staff and developing them
- Getting your business plan and procedures in place
- Keeping your licences current and visible to the public
- Making accurate representations to vendors and purchasers about the price and quality of the property you are marketing
- Maintaining records that substantiate the advertised selling price
- Having all documents completed before advertising a property
- Asking your accountant or auditor for a frank assessment of the quality of business systems
- Asking for advice from REINSW and Fair Trading when you are unsure about your obligations.

industry to better understand what is expected of them.

Understanding the law

Laws are minimum standards. Good businesses do more than the law requires; they establish systems and policies that deal with possible consumer complaints before they arise.

Understanding the sorts of complaints Fair Trading is most likely to take action about can assist agencies in developing the right policies and procedures.

“

Good businesses do more than the law requires; they establish systems and policies that deal with possible consumer complaints before they arise.”

Fair Trading gives priority to complaints where there is conduct:

- of significant public interest or concern;
- resulting in significant consumer detriment;
- affecting disadvantaged or vulnerable consumers;
- demonstrating a blatant disregard for the law;
- involving a significant new or emerging market issue;

- that is industry-wide, or may become widespread; and
- that suggests a pattern of non-compliance by the business or is indicative of a risk of future misconduct.

Fair Trading is less likely to pursue matters that are one-off, isolated events, or are private rights disputes. However, depending on the matter, Fair Trading may still take action even if the agency has taken steps to redress the detriment to the consumer.

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How Fair Trading applies the law

When Fair Trading investigates a matter, we will clearly state to the agency the activity or practice causing concern and which law or laws appear to have been breached.

“When Fair Trading investigates a matter, we will clearly state to the agency the activity or practice causing concern and which law or laws appear to have been breached.”

We will give the agency a reasonable opportunity to respond, a general explanation of our possible compliance and enforcement actions, and an explanation of the possible consequences of a failure to respond.

Fair Trading uses its enforcement powers to achieve compliance in order to:

- change the behaviour of the agency and others in the industry;
- address any unlawful financial gain or benefit from non-compliance;
- clarify the relevant law; and/or
- provide the necessary level of deterrence to those agencies which would deliberately flout their legal obligations.

Each year we publish our compliance priorities. Currently,



the failure to properly account for monies held in trust by property industry licence holders is one such priority.

When a property business is inspected

In most cases, no notice is given about a Fair Trading investigation. This is because we are checking ‘as-is’ compliance in a business’ everyday operations.

Unless it is a covert operation, the investigators will identify themselves and ask to speak to the person in charge of operating the business. It is not necessary for that person to be available for an inspection to proceed, or to be present throughout the inspection.

Fair Trading investigators will ask for the records required for inspection. Often, this is not limited to the matters that are the subject of the complaint, and in some cases the inspection is simply a routine targeted audit of the agency.

Investigators will ask for an area within the business in which to work. They may photocopy documents or take computer files. At the end of the inspection you will ordinarily be advised of the outcome if you request this information or if Fair Trading is taking action against you.

Fair Trading also publishes information about all of its compliance and enforcement activities on its website. ♦

10 SIMPLE THINGS YOU CAN DO NOW TO IMPROVE YOUR AGENCY

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7. Ensure that appropriate receipts, cheques and bank statements include the words ‘Trust Account’.
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BY ALEX ILKIN, PRINCIPAL
SOLICITOR OF ALEX ILKIN & CO

Home Building Act changes

Strata managers need to be aware of major changes to avoid claims of negligence being made against them by Owners' Corporations.

This article is the final of a three-part series addressing each of the areas of changes to the *Home Building Act* – residential building contracts, statutory warranty claims against contractors and the developers for building defects. Previous articles were published in the May and June 2012 *Journals*. This article will address homeowners' warranty insurance claims against the insurers for original building defects.

Most of the changes were brought about because of building defect problems encountered in strata schemes. The changes reduce the period of time within which an Owners' Corporation can make a claim against a contractor, developer or insurer for defective building works.

It is important strata managers are up to date with these changes to avoid claims by an Owners' Corporation that the strata manager has been negligent.

This article will address the Act from the point of view of a strata scheme suffering building defects, not from the viewpoint of a householder.

Many of the changes are very technical and have been simplified for the purpose of this article.



Homeowners' warranty insurance claims for building defects

If residential building work is commenced on or after 1 February 2012, worth more than \$20,000 (labour and materials) plus GST for the construction of a building of three storeys or less, then the contractor must take out a homeowners' warranty insurance policy for the job and give it to the Owners' Corporation before beginning the works.

Strata managers will be aware that for such insurance issued from 1 July 2002 the insurer is required to pay the Owners' Corporation for loss or damage only if the contractor is insolvent, dies, disappears or defaults on a court or CTTT money order.

Therefore, if the contractor does not become insolvent, dies, disappears or is not in default of a money order, then the insurer will not have to pay out under the policy.

The main types of loss or damage where the insurer must pay are:

- (a) Loss or damage resulting from non-completion of the work;
- (b) Loss or damage arising from:

- Breach of a statutory warranty;
- Faulty design (provided by contractor or supplier);
- Cost of alternative accommodation, removal and storage

costs reasonably and necessarily incurred;

- Loss of deposit or progress payment;

- Legal or other reasonable costs incurred by an Owners' Corporation in seeking to recover compensation from the contractor (but not developer) for the loss or damage or in taking action to rectify the loss or damage;

but only after the insolvency, death or disappearance or breach of a money order by the contractor.

Strata managers will be aware for insurance issued from 1 July 2002 the periods of cover for defects are:

- In the case of structural defects, for six years from completion of the works;
- In the case of non-structural defects, for two years from completion of the works.

These periods do not change under the new amendments. This two-year and six-year period of cover for insurance claims will now match the two-year and six-year period for statutory warranty claims.

The new changes for homeowners' warranty insurance are in respect of when a notification form and claim form should be lodged.

This commentary is for insurance policies issued after 30 June 2002. The principal charges are:

(1) Notification form

A notification form must be lodged with the insurer within **six months** of the Owners' Corporation becoming aware of the defect but during the two-year and six-year periods of insurance cover listed above. Every defect should be listed, including related defects. For example, if a water leak occurred through a window in the building on 25 October 2011, do not wait until it becomes serious and floods the hallway, but lodge the notification form by 25 April 2012 at the latest with the insurer.

Verbal communications to the insurer about the defects are no longer valid.

If the builder is not insolvent, dead, disappeared or in default of a money order when the

Owners' Corporation lodges the Notification Form, the insurer will not at that time make a payout to the Owners' Corporation.

The amendment states the Owners' Corporation must diligently pursue the contractor to fix the defect or complete the works: s 103BB. That means the Owners' Corporation must pursue the statutory warranty claim referred to in the previously published article (June 2012, page 34) in this series.

“
Verbal
communications
to the insurer
about the
defects are no
longer valid.”

(2) Claim form

Because the Owners' Corporation is required to pursue a statutory warranty claim against the contractor (including start a statutory warranty court or CTTT action if the matter cannot be resolved), once the contractor becomes insolvent, dies, disappears or fails to pay a money order then the Owners' Corporation must promptly lodge a claim form with the insurer. The insurer must then assess and process the claim. The two important time periods to do so are:

- (a) For insurance policies issued after 30 June 2002 (if the contractor has not died, disappeared, become

insolvent or defaulted on a money order prior to the last six months of the period of cover) the Owners' Corporation can lodge an insurance claim outside the two-year and six-year periods of insurance provided the Owners' Corporation can show:

- it diligently pursued a statutory warranty claim in court or the CTTT against the contractor to rectify the defects after the defect became apparent. This possibly means get a court judgement and then bankrupt or wind-up the contractor; and
- it properly notified the insurer of the defects during the insurance period: s 103BB (3).

This provision may be void due to inconsistency with s 54 of the *Insurance Contracts Act 1984* (Cth).

- (b) For insurance policies issued after 30 June 2002 where the contractor dies, disappears, becomes insolvent or defaults on a money order during the period of insurance coverage, an insurance claim must be made during the two-year and six-year periods of cover, not afterwards. The exception to this is if the event allowing a claim occurs during the last six months of the period of insurance cover: s 103BB (2)

(3) 10-year limit

For insurance policies issued before 1 July 2010, claims must be lodged within 10 years of the work being completed, whether or not the builder intentionally

delayed the defect or winding-up proceedings: s 103BC.

For all insurance policies issued from 1 July 2010, the claim must be lodged within the two-year or six-year period after completion. The above 10-year period will not apply, paragraph 2 (a) and (b) applies.

The amendments do not change the existing law as to when an Owners' Corporation must start a CTTT or court action against the insurer for refusing to grant indemnity or cover under an insurance policy.

Recommendation: If the Owners' Corporation is near the end of the 10-year period since completion of construction, legal advice should be obtained if it should lodge a claim or start court action.

Strata managers will be aware that for all insurance policies issued from 31 December 2003 for a multistorey building of more than three storeys (with at least two separate dwellings), the contractor is not required to take out homeowners' warranty insurance: reg 74.

(4) Excess

From February 2012, Owners' Corporations are required to pay an excess of \$250 on a claim.

(5) Coverage

All policies issued from February 2012 must have a minimum insurance coverage of \$340,000 regardless of the value of the work. ♦

Alex Ilkin specialises in building defects claims, strata disputes and drawing up bylaws. Visit www.alexilkin.com

Cracking the QR Code

They are increasingly visible in consumer advertising and packaging, but how can your agency make use of QR Codes?



WHERE TO USE QR CODES IN MARKETING

- Brochures, magazines and newspaper advertising to direct users to your mobile website or app.
- Property flyers and signboards to give potential buyers access to additional information like videos, floor plans, maps and directions to the property.
- On your business card to give clients access to your property listings, blog or social media accounts.

Basically a barcode, QR (Quick Response) Codes could be the key to revitalising static, traditional real estate marketing by boosting the level of interaction between you and potential buyers.

By generating a QR Code, which is a simple process, your static advertising can be transformed into a mobile, interactive information hub.

How do they work?

QR Codes can be scanned from a computer screen, newspaper, other printed sources or even a property signboard.

“My feeling is that as people get more familiar with QR Codes they are going to become an essential marketing tool for real estate.”

Potential buyers, and curious passers-by, can scan the code by taking a photo of it.

Their phone will then open up a browser, which takes them directly to the URL in the code.

This is a great tool if you want to direct a person to a specific website. Potential buyers can go straight to the information on the property they are looking at, rather than needing to remember specific details of the property and find it on your website.

How does it work in real estate?

BHR, at Edgecliff, has been using QR Codes in its marketing in Sydney's eastern suburbs for the past six months and is already seeing the benefits of the interactivity.

Used on signboards, brochures and print media, BHR Director Reece Coleman said QR Codes were being taken up mostly by the Gen Y market.

BHR's QR Codes take users to a mini website featuring the property including a full virtual tour with floor plans, video, extra copy about the property's features and the agent's contact details.

Reece said it was also beneficial for agents as they can see when someone is using the QR Code on a signboard.

“We're finding it's a great way to measure the response rate

to our media and helps us to know where to direct our media," he said.

"We are seeing a different level of interaction with our QR Codes, depending on the profile of the property.

"So, for example, we advertise in the eastern suburbs and get a bigger interaction from our QR Codes in the *Southern Courier* than we do in the *Wentworth Courier*; this also correlates with more Gen Y in that area. We also find we get more interaction with QR Codes on properties up to about \$1.5 million.

"There is definitely a social media element to QR Codes

and that opportunity for interaction tends to be taken up more by Gen Y at the moment."

Way of the future

Though QR Codes are yet to be widely adopted by the real estate industry, Reece said he believed they would soon become a basic marketing tool, particularly as agents look for more ways to add value to the service they provide clients.

"That ability to take something pretty static and make it interactive is so valuable, my feeling is that as people get more familiar with QR Codes they are going to become an essential marketing tool for real estate," he said. ♦



Try it now!

Scan the above QR Code to see an example of how BHR has used the tool as part of a property's marketing campaign.

A range of free QR Code generators is available online.

HOW TO USE A QR CODE

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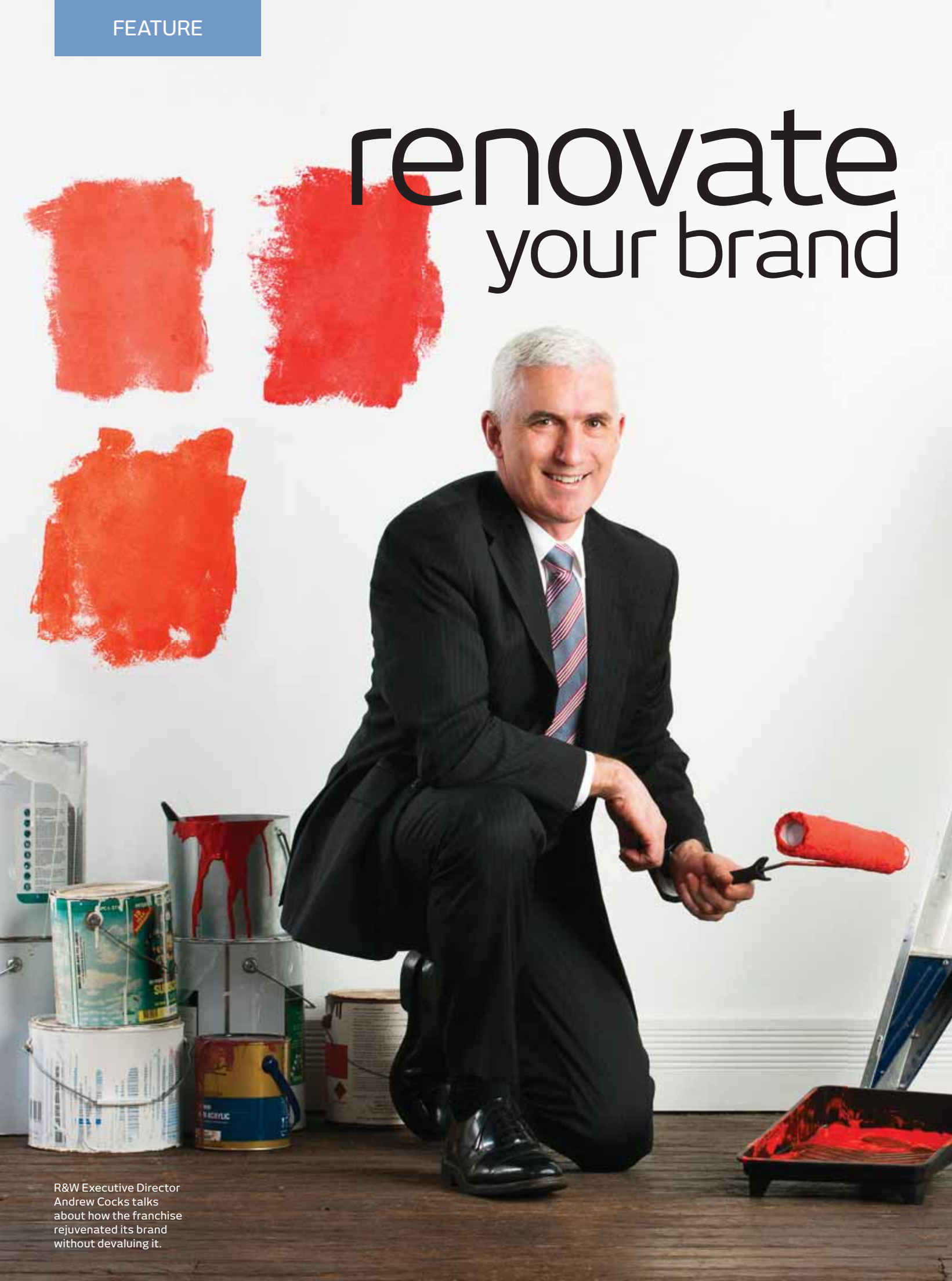
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renovate your brand



R&W Executive Director Andrew Cocks talks about how the franchise rejuvenated its brand without devaluing it.

BY ANDREW COCKS, R&W EXECUTIVE DIRECTOR

What does it take to get your brand's mojo back?

Brand and branding: it's often the most valuable asset of a company, yet it's also one of the most misunderstood areas of business. To ignore the health of any brand is to put its long-term future in peril, but get it right and the rest falls neatly into place.

Why getting it right matters

To understand what brand is, it's best to be clear on what it is not. It is not just a name, a logo or symbol, a visual identity system, a marketing communications tool or an image.

In great companies the brand is the central organising principle for everyone in the company and everything the company does. A brand is shaped by the sum total of experiences, contacts, perceptions, impressions and emotions a person has with an organisation, its products and its people.

So it's easy to see that in real estate, where perceptions of trust are paramount, brand is a critical component of the business.

Two years ago I was engaged in a consultant capacity to address some of the issues facing Richardson & Wrench, Australia's oldest real estate company, founded in 1858 by Robert Richardson and Edward Wrench.

The company had a long history of ownership by corporate and real estate identities, including Lend Lease, Neil Collins and

its current owners, the WTK Group. It has around 110 franchise territories in NSW and Queensland.

From a reputational point of view it appeared rock solid, thanks largely to the brand loyalty and talent of the individual franchise owners. However, since the late 1990s there had been a gradual decline in the number of franchisees and a parallel lack of direction, leadership and momentum. In short, Richardson & Wrench, as a group, had lost its way.

How then to renovate a real estate group and dust off the cobwebs without devaluing the brand or alienating those who have a deep emotional and financial investment in its wellbeing?

When is it time to renovate a brand?

In many instances your gut feeling is the thing that sparks a brand review. If you feel something isn't quite right, it probably isn't.

You need to seek clear and honest feedback from your stakeholders. Chances are that if people have done business with you before but have now chosen someone else, there is a problem with your brand. So your brand problem becomes a commercial problem and the issue of a rebrand is a question of business survival.



The trigger for Richardson & Wrench to renovate its brand was when it became clear there was a significant disconnect between what our members and stakeholders thought our company should be and what it had become. However, this was something we didn't fully understand until we had been through the analysis process.

Getting started

Regardless of whether you are a franchise group or independent agency, the basic approach to renovating a brand would follow the same processes that were adopted by Richardson & Wrench.

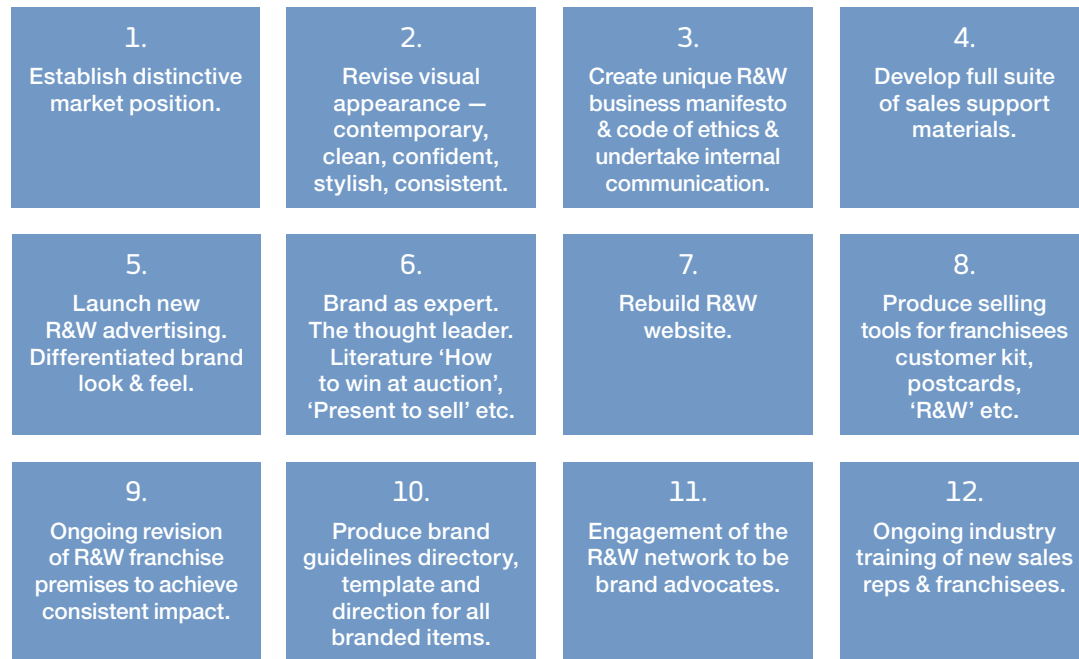
The first stage in this process is to undertake an internal review. This can be done by yourself if you are able to step away from the day-to-day running of the business or, preferably, by an external facilitator. Though it can be useful to do a review in-house, sometimes you need to get an outsider's assistance to take a critical look at the brand and identify its state of health. Either way, it is important for this process to be undertaken with an open mind.

Talk to people about how your brand is perceived. This should involve your staff, major suppliers and a cross-section of trusted clients. Establish your 'inspiring identity', which is how you want your business to be perceived and what it means to be part of your company. It may not be where you are now but where you want your business to be.

With this 'guiding philosophy' in place you are then in a position to develop communication with your marketplace. It is important when you do so that there is consistency of communication in all forms.

Don't be gimmicky. If any branding activity doesn't tie

R&W brand strategy (figure 1)



The strategy R&W used can be easily implemented or adapted to any agency's brand review process.

back to the internal principles of the business, don't do it. You should also avoid changing just for the sake of it; you don't want to throw away everything you have done if it resonates with the marketplace, but these brand foundations will be identified during the review process.

We can rebuild it

When Richardson & Wrench underwent its internal review everything was laid open to scrutiny.

We sought perspectives on the company, from the inside and the outside, rated the franchise experience, explored the best and worst, and put the company culture under the microscope.

The structural and brand issues that were identified included the conflict between old and new balanced against the need for renewal, head office structure and service, and slow franchise decline.

With any organisation there will be different perspectives on the brand from people within and outside the company and we set out to capture both.

First, we wanted to know what the brand meant to people in terms of its image and reputation, its competitive positioning and to define its character.

“
If any branding activity doesn't tie back to the internal principles of the business, don't do it.”

Critical to this task was the full engagement of the stakeholders - franchisees who had the most to win or

lose in any attempt to renovate the brand. We sought their personal vision and thoughts about where the company was going and what they would personally do to continue or change directions.

At the end of the process we were in a position to set out a brand summary that identified very clearly what was strong and what was wrong.

Perhaps the most heartening outcome of this process was the franchisees' absolute belief in, and loyalty to, the brand. This was the bedrock upon which it would be possible to rebuild.

The other key strength that stood out loud and strong was the brand's untarnished reputation and with it a high level of trust and respect in the marketplace. The shortcomings, some of them identified as inconsistent branding, lack of innovation, low awareness, a brand for 'oldies', could all be addressed

with concerted effort and direction from the National Support Team, combined with the engagement and ownership of the network in the process.

Many of the big issues, such as the rebuilding of franchise numbers, would have to wait until internal concerns were addressed and the brand integrity restored. We developed a road map (see Figure 1) that importantly was focused on practical steps designed to address the company's weak points while building on the strong points.

Proceed with care

In any organisation, change is a process that must be carefully managed. We had to sell the brand journey to the network to have any hope of success. This task was made easier by the high level of participation throughout the review period. In effect, our brand renewal strategy had been written by the network for the network.

Additionally, we adopted a communication plan that set out rules of engagement, to keep faith with our advocates and to slowly win the support of those who were less convinced of the need for change. These basic tenets – maintain an honest and consistent message, be timely and informative, don't waste franchisees' time, and deliver what you promise – are rules that every organisation should adhere to when trying to implement programs across a diverse group.

Communication is key

The length of your rebranding process will vary depending on the size of your business and the scope of the review and the changes you choose to undertake.

Smaller individual businesses could undertake this process

in four to eight weeks, but it really is the sort of thing that should never stop. Once you start the process it is important to have a mechanism to review your progress every six months, looking at what is working and what is not, and a more strategic review every 12 months.

For more than a year we worked with key people within the network to develop a fresh and distinctive brand, renewing marketing templates that are the tools of their trade and rebuilding a sense of pride and belief in the group as a whole.

We engaged new personnel at head office who had the skills to address important areas such as marketing, training and technology.

Critically, we increased the level of communication between head office and the franchisees. This was less about selling the rebrand and more about opening up a channel for the free flow of information. To enable the success of the rebrand, we needed to know what was working and what was not, the issues that were confronting agencies and where they needed support.

A year into the rebrand we finally felt confident that we had a good story to tell and a brand that had the full and unconditional support of the members of the network. Our belief in ourselves and what we stood for was clear and unequivocal.

It was only at this point we could begin the next stage of the journey, an expansion of the network, knowing that the brand we would be inviting new franchisees to join was in good health and good hands. ♦





BY DOUGLAS DRISCOLL,
CEO OF STARR PARTNERS

Leadership is about action, not rank

How can you tell the difference between a good leader and a good manager?



The days of leaders demanding respect and obedience based on their rank in a hierarchy are thankfully long gone. But what are the traits of a good leader? And what are the fundamental differences between management and leadership?

Let me start by dispelling one of the most common misconceptions about

leadership. Just because you are a manager, Director or Principal, doesn't automatically make you a leader.

Understanding the difference

Most of us know instinctively that management and leadership are actually very different, but understanding just how they differ at a practical level is often

elusive. However, that practical understanding is essential if we are to effectively fulfil our roles.

The words 'management' and 'leadership' have very different origins and by looking at these origins we can get an insight into their true meanings.

Management comes from the Latin 'manus' or 'hand'.

Management, therefore, is about controlling and being hands-on with things such as budgets, timescales and progress.

Leadership has Anglo-Saxon roots and comes from the words meaning 'path', 'route' and 'journey'. Leadership therefore, is about direction, movement, progress and change.

Managers tend to get things done by controlling people, whereas leaders tend to get things done by inspiring people.

Effective leadership is the backbone of a good real estate business. Good leaders create thriving environments with high levels of productivity, profitability and above average customer service.

Bad leadership ultimately results in low organisational vitality, high staff turnover and poor customer loyalty.

Why doesn't leadership come naturally to most of us?

If you are in a position of management or general authority, then there is a good chance that you have three main parts to your job:

- A 'doing things' part, in which you get on with your trade or professional activities.
- A 'managing processes' part, in which you control things like the Key Performance Indicators.
- A 'leading people' part in which you provide direction, inspiration and encouragement.

Most of us are naturally drawn towards the 'doing things' activities as this is what originally attracted us to real estate. As our performance is usually judged by deadlines, we are also drawn towards the 'managing processes' part of our jobs.

The third part, 'leading people', requires the ability to be assertive, persuasive, considerate, resilient and self-confident. These abilities do not come naturally to everyone. As we develop them, the 'leading people' part of our job becomes easier, more effective and satisfying.



Managers tend to get things done by controlling people, whereas leaders tend to get things done by inspiring people.



So what makes a good leader?

Effective leadership centres on personal relationships. There are certain prerequisites to being a good leader including general intelligence, professional knowledge, vision and the ability to inspire. However, research shows that communication is the most important component in a leader's toolbox.

There are many reasons why leaders fail to communicate. They don't realise the importance of creating strong emotions in making communication memorable. They may not understand the power of stories and anecdotes in powerful communication. They may be so busy reacting to the

150 new emails in their inbox that they don't actually take time to go and talk to people face to face. And frankly, they may not care. But, many surveys show, the people around them care very much.

Following closely on the heels of poor communication is a failure to motivate employees. Most leaders fail to realise that different people are motivated by different things. Leaders who are motivated by, let us say, power, responsibility and money, in that order, tend to assume that their people will be motivated by power, responsibility and money.

The key to motivation is to realise the specific factors that will motivate other people. In other words, if you can identify what other people really care about, then you can motivate them.

Leadership begins with you. You will not succeed as a leader unless you have some sense of who you are. The people around you have a simple but basic need; they want to be led by a person, not a robot.

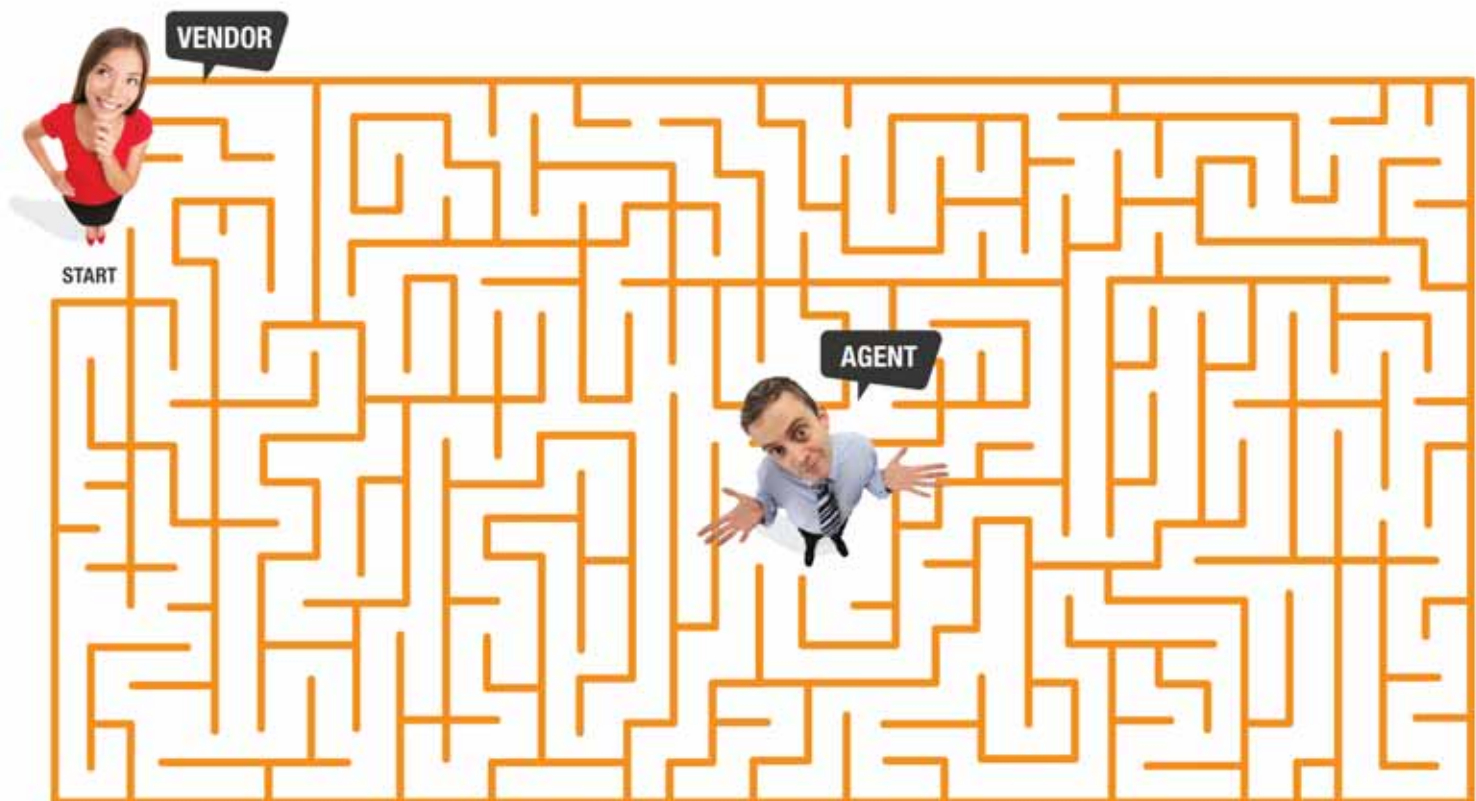
It is unlikely that you will be able to inspire, arouse, excite or motivate people unless you can show them who you are, what you stand for, and what you can do. ♦

Douglas Driscoll is the Chief Executive and owner of Starr Partners. He has degrees in business and finance and more than 10 years' real estate experience.

Good leaders don't have one style of management, they master several and switch depending on the challenge they face. Research suggests that great leadership depends upon choosing the right mix of the six styles described below:

- 1. THE VISIONARY –** a leader who inspires and explains how individuals contribute to the organisational dream.
- 2. THE AFFILIATIVE LEADER –** someone who resolves team conflicts and boosts morale.
- 3. THE PARTICIPATIVE LEADER –** listens and encourages participation.
- 4. THE COACHING LEADER –** helps others identify their strengths and builds long-term capabilities.
- 5. THE PACESETTING LEADER –** sets high standards and encourages results but may leave employees feeling stifled.
- 6. THE DIRECTIVE LEADER –** demands compliance and is best kept for a crisis. They set the task and expect it to be done.

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Mentors make a difference

BY TINA LIPTAI

Whether you are successfully soaring or struggling through challenging times, a mentor can help make the most of every situation.

Harnessing the power of positive thinking is key to many a top agent's strategy for success. However, even the most determined agent sometimes has trouble remaining motivated when things are tough, or keeping focused when all is going according to plan.

Providing a different point of view and being a sounding board, whatever the situation, is the true value a mentor can provide for an agent — regardless of their level of experience or area of specialty.

Experience, the difference

John McManus, residential sales agent with McGrath Northbridge, firmly believes in the power of mentoring.

"I think that there are so many highs and lows in this industry. You can have a great month where everything is rosy, followed by a really bad month where it seems nothing can go right. You need to stay focused and a mentor helps to keep you on track and accountable," he explained.

Now a top sales agent in his local area, John credits the foundation for that success to the support he received from his mentor in the first year of his career.

Sharing similar values

When John moved on from his first agency, after his mentor decided to sell the business, he looked to align himself with a new agency

that held similar values. He said a strong belief in the benefit of training and positive workplace culture helped him to choose his next mentor and agency.

"In this industry, you are only as good as your last sale so it's really helpful to have someone who can help you keep things in perspective," John said.

"It's good to have another voice and a different point of view to help gain perspective. You need someone to bounce ideas off and help you over the snags in the road."

Finding the right fit

Even with years of experience under his belt, John said he still gained benefit from having both a mentor and a lifestyle coach to help get him into the right mindset for big deals.

"You have to go in with a firm belief that 'I am going to get this listing'," he said.

"Mentors help you come up with new, fresh ideas and can help you revitalise yourself."

When selecting a mentor, John believes it is important to understand exactly what you wanted to get out of the relationship.

"Look for a mentor you can trust and believe in," he said.

"They don't necessarily need to be someone who has 'accomplished great things'



in the industry; they should be someone who you can bounce ideas off and help you think outside the square."

“It’s good to have another voice and a different point of view to help gain perspective.”

John said there were plenty of great speakers and trainers who you can access who are 'big achievers' or can

be inspirational in the short term, but a mentor should be someone who is around for the long haul.

Staying power

Based on his own experience, John believes having a mentor is a wise investment in future career success.

"If you don't have a mentor, I don't believe you will survive," he said.

"Especially for young or new agents it's really easy to get too far ahead of yourself and aspire to achieve the same success as more experienced agents without putting the right steps in place to work your way up to that level." ♦

Celebrating shared experience

They marked the end of a 12-month journey together, but for all REINSW's Mentoring Program graduates it's really just the beginning.



Mentoring pairs receive their graduation certificates (from left), Cristine Castle and Ben Lee, Peter Witten and Andrea Sharpe, Lee Henderson and Julie Valetic, Gary Phuong and Neil Clark.

The inaugural REINSW Mentoring Program brought together agents of varying age and experience on a year-long journey of mutual professional development.

Celebrating their achievement, participants gathered for a special REINSW event to reunite and discuss the program and their successes.

Michelle Morcombe, REINSW Education & Training Manager and leader of the Mentoring Program, said she was proud of all the participants and their commitment to the initiative.

"It's very rewarding to see everyone graduating," she said.

"Hearing them talk about their challenges and triumphs makes me so proud. They have all learned and gained confidence, which is great to see."

REINSW CEO Tim McKibbin said mentors were valuable in every professional's career and was pleased REINSW could offer a formalised program.

"I look back over my career and there were people who took the time to mentor me; they were willing to guide a young professional, as I was then, and I am very grateful they did," he said.

"What we have done at REINSW is put some formality and process into place to help people who want to influence others in their professional career.

"But it's not a one-way street, I have heard so many stories about how the mentors have really gained from the experience too."

Mutual benefits

Mentor and former REINSW President Cristine Castle was partnered with Ben Lee from 888 Property Finders, Epping.

Cristine said she was pleased to discover that even towards the end of her career she was still able to contribute to the industry.

"I found, coming to the end of my career, I had a bit more

time and I felt I was able and prepared to give that time to help other people in their career," she said.

"I think I got more out of it than I thought I would. It was great to be able to share experience with like-minded people and I think I was a good motivator for Ben.

“I thought it was an amazing opportunity and it really has been a valuable experience to gain insight into the industry.”

Ben said he felt lucky to have been paired with someone who has as much experience as Cristine.

"It was great to learn from Cristine. I think the program helped me work on my people skills; it was a great experience and I think I was very lucky to be paired with her," he said.

Building confidence

Peter Whitten from Richardson & Wrench, Freshwater, mentored Andrea Sharpe from Belle Property, Pymble.

He enjoyed the experience so much he had already signed up to be a volunteer mentor for the next program, which starts this month.

"I found it quite rewarding. I think Andrea got some benefit out of it and that's satisfying for me," Peter said.

Andrea found out about the program through an article in the *Journal*.

"I thought it was an amazing opportunity and it really has been a valuable experience to gain insight into the industry," she said.



CONGRATULATIONS TO PARTICIPATING PAIRS OF THE REINSW 2011/12 MENTORING PROGRAM

Beata Tyminski (Mentor)
Vinka Milla Ramos

Lee Henderson (Mentor)
Julie Valetic

Cristine Castle (Mentor)
Ben Lee

Neil Clark (Mentor)
Gary Phong

Dominique Vasers (Mentor)
Nikki Montaser

Peter Whitten (Mentor)
Andrea Sharpe

Douglas Driscoll (Mentor)
Erik Polsek

Robert Nevins (Mentor)
Nicola Smith

Ewan Morton (Mentor)
Chris Bell

Rod De La Harpe (Mentor)
Dan Walker

John Cunningham (Mentor)
Tim O'Halloran

With special thanks to mentors Christine Norris, David Scholes and Leanne Pilkington who also volunteered their time for the program.

Joseph Gambino (Mentor)
Sandy Shen

Mentoring Program participants (from left), Douglas Driscoll and Erik Polsek, Tim O'Halloran, Vinka Milla Ramos, Chris Bell and Ewan Morton, Rod De La Harpe and Dan Walker, Dominique Vasers, Nikki Montaser and Joseph Gambino.

"For me, the greatest value was getting help identifying what I wanted my career path to be. I have changed jobs in the past 12 months; I don't think I would have had the confidence or knowledge to do that before."

Helping out

Neil Clark, from Mode Property, Dural, mentored Gary Phuong from trust Real Estate.

Neil said he was keen to give someone else the career guidance he felt was lacking when he started in the industry.

"It's hard to have the sort of relationship with co-workers where you can really ask questions about career and other things a mentor can help

with, and that's the reason I wanted to volunteer," he said.

"I was interested to see if I could help someone else along with their career. I have enjoyed it, watching Gary grow and work through things has been really rewarding."

After recently moving from property management to sales, Gary said he was pleased to be able to learn from someone else's experience.

"The insight into the industry has been very beneficial," he said.

Giving back

Lee Henderson of Raine & Horne Commercial, Penrith,

mentored Julie Valetic of Lets Get Real Estate.

Lee said being a volunteer mentor was a great opportunity for established, experienced agents.

"I just wanted to put something back into the industry that I have got so much out of and if I can pass on some of my experience to someone then that makes me happy," he said.

For Julie, the opportunity to bounce ideas of another agent was beneficial.

"I started the business on my own and it can get a little bit daunting sometimes,

but this has really built my confidence" she said.

"I am interested in commercial property, so it has been great to have a mentor with that experience and knowledge and I can't wait to call Lee and tell him when I get my first commercial property."

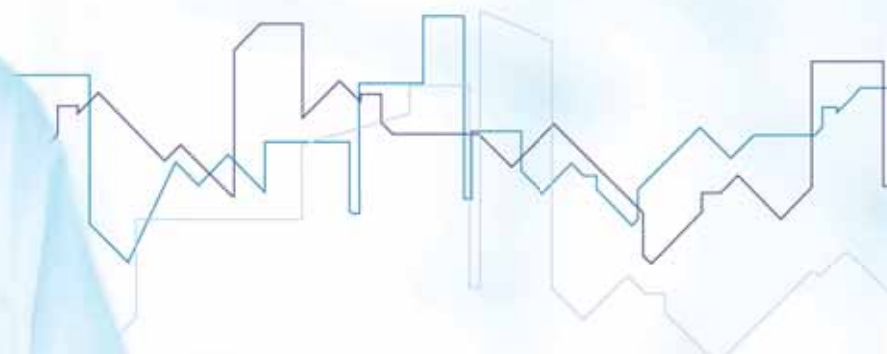
The REINSW Mentoring Program runs for 12 months from July each year. Individual members who are in their first five years of real estate practice can apply to be mentees, while experienced industry professionals can volunteer to be mentors. ◆

For more information about the REINSW Mentoring Program, visit www.reinsw.com.au/mentoring



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BY PETER GRIFFIN,
REINSW GENERAL MANAGER

Divisions united for action

REINSW held its first Divisional Chairs Conference, bringing together members from across the state to discuss key issues.

REINSW breaks down NSW into 25 geographical Divisions. According to the REINSW Constitution:

"The role of a Division is to facilitate participation by members in REINSW activities through forums for communication, networking and professional development."

Some Divisions are very active and organise regular interactive presentations from local politicians, updates from REINSW's CEO or President, and charity and social events.

Other Divisions are less active and struggle for support from member agents in the area.

With this in mind, REINSW held its first Divisional Chairs Conference on Friday, 25 May 2012.

Are Divisions still relevant?

The question of relevance was raised and attendees did feel Divisions have a part to play:

- Focusing on issues relevant to the local community, Divisional Chairs — operating under the REINSW banner — could lobby politicians both directly and through the local media.
- Holding charity events gave member agents the opportunity to help and be involved with the local

community, and in turn raised their own profile.

- Coming together to hear presentations and debate issues allowed agents to stay updated, contribute to policy development, and build relationships with their local colleagues.

Making things happen

The Conference heard from Chairs of several Divisions including Charles Hegyi, Rod Crowfoot, Luke Fahy, Peter Prouzos, and Chris Hines. Some of the points they made include:

- Having at least one or two active people on the Divisional Committee helps to spread the workload.
- Communicating personally, especially face to face, was the most effective way to encourage attendance at events.
- A Divisional Novice Auctioneers Competition was a great 'signature event' to hold each year.
- Being active in the local media helps to raise the profile of local agents and the issues they care about.

Holding a successful Novice Auctioneers Competition

David Sanders has been a leading organiser of the Novice Auctioneers Competition in the

Central Coast Division. In the past six years the competition has had 60 entrants and raised more than \$60,000 for the Gosford & Wyong Hospital. His tips included:

- The key to success is to encourage people to participate as competitors. This will then encourage their work colleagues and friends to attend the charity event, making it a success both for the ticket price and the 'spirited bidding' for auctioned items.
- Have local companies donate interesting auction items.
- Team up with the local paper and other media to gain free coverage for the event, in return for them being a sponsor of the competition.
- Promote the event in as many ways as possible — to agents, sponsors, and local businesses.

Actions to improve the Divisions

The Conference broke into three workshops to recommend some specific actions:

- Develop 'local content' media releases with the Divisional Chair as the named and quoted spokesperson.
- REINSW to provide induction training to Chairs on presenting to the media, running effective meetings

and events, and how the REINSW team can support them in their role.

- A better flow of information from REINSW to the Chairs on progress with lobbying on issues; i.e. what's been done and what is being planned.
- A letter introducing the local Chair to be sent to every local agent and media contact. ♦

At the Divisional Conference REINSW President Christian Payne awarded the Certificate of Honorary Membership to Don Nott.

Having worked in the real estate industry since 1973 and operating Don Nott Real Estate since 1979, Don has made a significant contribution to the industry. He has:

- been an REINSW member since 1976 and is a member of the Waratah Network
- served as Treasurer of the REINSW Nepean, Hawkesbury, Blue Mountains Division
- been an active member of the REINSW Political Advisory Committee
- been awarded the REINSW Russell Jackson Award for best performance by a metropolitan Division in 2005.



BY NANCY RAINBIRD
REALCOVER CLAIMS MANAGER

When size matters

What's the difference between a rectangle and a parallelogram? Knowing the answer could save you a costly claim.

Throughout every agent's career there are undoubtedly going to be times when mistakes are made. While avoiding these errors in the first place is ideal, in the end it's how you protect your business and reputation that really matters.

I have recently come across a claim which involves one expensive error and highlights the need for careful marketing and extra vigilance to avoid landing in a similar situation.

Agents should always use caution when making reference to land sizes and dimensions and any other information regarding the property that may impact on the sale.

It's important to remember that your intention to provide the right information for marketing may not protect you from litigation if it is later found that the information is wrong.

The importance of having professional indemnity insurance cannot be underestimated, as most agencies would not be able to withstand the cost of litigation.

Size counts

The agent was the exclusive agent for the sale by auction of a property. The dimensions

of the property for sale were in the shape of a parallelogram. However, the agent used the formula to measure the area as if it were a rectangle and multiplied the length by the width.

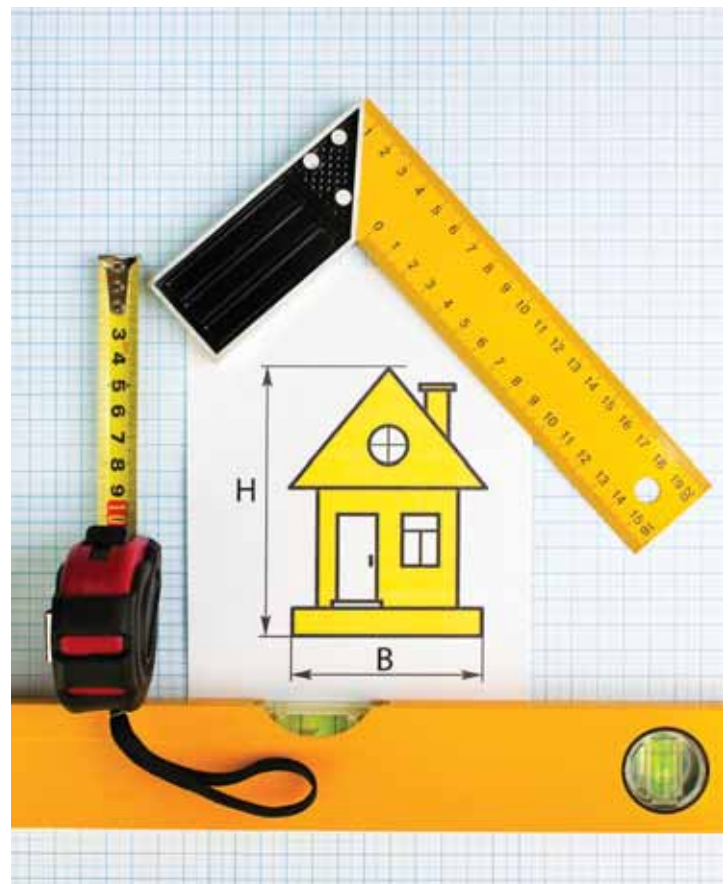


Agents should always use caution when making reference to land sizes and dimensions and any other information regarding the property that may impact on the sale.



It might not seem like much of a difference, but a more complicated equation is needed when calculating the area of a parallelogram.

In this case, the agent's use of the wrong formula resulted in the area of the property being advertised as larger than it actually was.



A simple mistake can be false advertising

The advertising material for the property included an image of the property, which contained the land dimensions together with the words '598sqm (approx.)'. The figures were not provided to the agent by the vendor or the vendor's solicitor.

The property was also described, both on the pamphlet and online, using the wrong dimensions together with the same incorrect land size.

The property sold under the hammer at auction. In the weeks following the sale, the purchaser inspected the property and took their own

measurements. Subsequent to settlement, the purchaser engaged an architect who ascertained that the property was actually 20 per cent less at 485sqm.

The purchaser alleges misleading and deceptive conduct and contends that the difference in land size is material and affects him in a material way as he is now unable to build a house of sufficient size to accommodate his large family and have a play area.

Although the basic principle of property law is 'buyer beware', there is little doubt that the agent is responsible for any loss flowing from the misrepresentation of the land size.

The difference between the described area and the actual area is material and is likely to be regarded as misleading conduct.

However, the agent will not be liable unless it is shown that the purchaser relied

on the representation and can establish that they have suffered damage.

The lesson to be learnt here is that agents should always use caution when making reference to land sizes and dimensions and any other information regarding the property that may impact on the sale.

Agents must verify the accuracy of the information provided and, of course, always ensure you have adequate professional indemnity insurance. ♦

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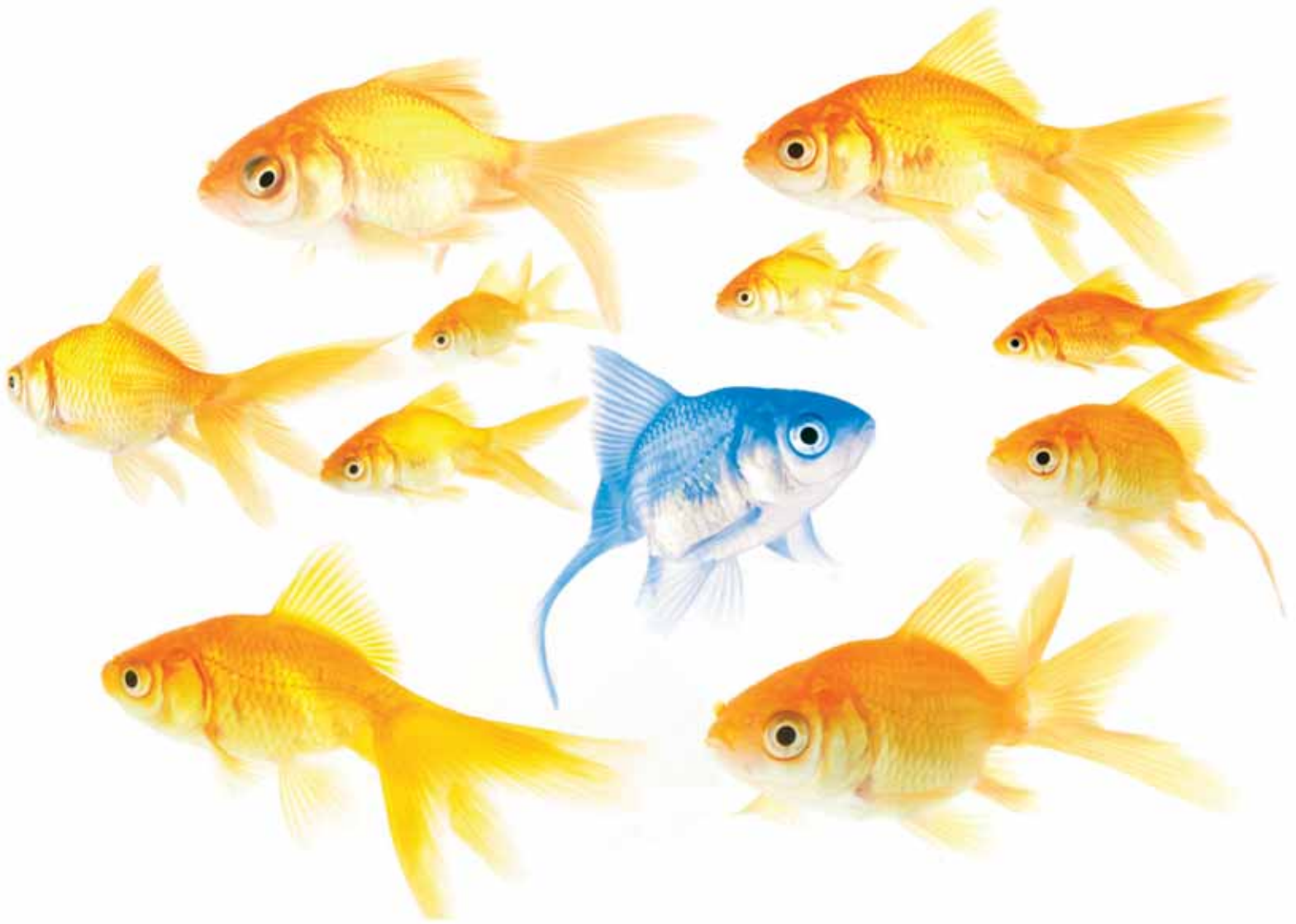
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Getting back to basics is sometimes the best way to boost business. Here are some easy steps you can take to make a difference to your listings.

1.

Keep in touch with past clients and all contacts through a monthly newsletter, emails or special invitation nights. Often past business leads to future business through word of mouth or return clients.

2.

To prevent poor performance set daily goals, be consistent, be disciplined and be prepared every day.

3.

When you feel like you've had enough, make an effort to phone one more client. You will be amazed how quickly this reflects on the bottom line.

4.

Always follow up on any appraisal you have done. Consistency and discipline in this area is the key to generating an ongoing source of business.

5.

Talk to as many people as you can but remember a brilliant salesperson needs to listen too.

Listening to what people are saying can help you better understand how you can offer the right service or opportunity to them.

6.

Be a local and get involved in community events. Excellent local knowledge is a great way to get an edge on competitors.

You should be able to answer simple questions about local schools, parks, restaurants, zoning, new developments, local tradespersons, bus routes and anything that relates to your area.

7.

Keep up to date with changes to the industry and be able to explain them to clients.

8.

Look at the deals you have not listed recently, or the ones that are stalling, and find out why. There is a reason and it could be as simple as you didn't ask for the sale.

9.

Don't be afraid to talk to friends and family to see if they know someone who might be interested in buying and/or selling. Sometimes, something as simple as reminding the people in your network that you are looking for new clients can result in new business. ♦

Compiled with help from the REINSW Residential Sales Chapter Committee.





BY ANN BANISTER, REINSW
MEMBER HELPLINE CONSULTANT

What to do when a tenant dies

Dealing with difficult situations is part of every property manager's day, but death can be one of the most emotionally challenging.



It's a sad fact that sometimes tenants die during a tenancy. In such circumstances your professionalism in dealing with the situation can make all the difference for you, your landlord and the tenant's family.

Unlawful entry

If contacted by a friend, relative or colleague of a tenant who

is worried about the tenant's welfare, or if you have your own concerns, it can be a natural first reaction to want to go straight around to the property to check on the tenant.

However, there are a number of preliminary steps you should undertake to protect yourself from claims of

unreasonable, unlawful entry being made by the tenant.

These include, but are not limited to:

- Ringing the tenant's home number and other contact numbers supplied to you to see if you can speak with them or someone who is able to account for their welfare.

- Check the tenant's mailbox to see if mail has recently been collected.

- You could also speak with a neighbour to see if they have recently seen the tenant.

If you go to the property, ensure you arrive with another staff member and that at

least one other person at your agency knows of your whereabouts.

Entry to the property

If you do open the door, do so slowly ensuring you call out to see if you get a response.

If it becomes obvious that the tenant has died inside the property, through smell or sight, do not enter the home or unit.

If you are inside and discover the deceased tenant, leave immediately. Wait outside and call for an ambulance and the police.

Cooperation with the police is paramount as they investigate the death. It is also essential that you inform the landlord of the situation and keep them informed as it progresses.

What happens to the tenancy?

Under *Residential Tenancies Act*, s 3, a tenant is defined as the person who has the right to occupy residential premises under a Residential Tenancy Agreement.

This includes the tenant's heirs, executors, administrators and assigns.

Therefore, a tenancy does not necessarily end when a tenant dies, and the situation needs to be handled

compassionately and diplomatically.

The person who has the authority to deal with a deceased tenant's affairs is the person's legal personal representative.

Great care should be taken to ensure that you are talking with the legal personal representative when dealing with a deceased person's assets, or undertaking negotiations in relation to a lease, as significant disputes can sometimes arise between family members when possessions are released to, or are taken by, the wrong person.

Family members, neighbours or friends of the deceased person will often know who the executor or administrator is, and whether a solicitor is holding a will.

Contact with the executor or solicitor should be made in the first instance, rather than simply taking instructions from the first relative to contact you.

Where no legal personal representative can be located, you may need to contact the NSW Trustee and Guardian for further advice.

In some circumstances, you may not be able to end the tenancy, or deal

with property until the Supreme Court makes a grant of probate or letters of administration pursuant to the *Probate and Administration Act* (NSW).

It is important to remember that if the tenant died in the premises this will be a material fact for the purposes of s 52 of the *Property, Stock and Business Agents Act*, which will need to be disclosed to any future occupants.



Great care should be taken to ensure that you are talking with the legal personal representative when dealing with a deceased person's assets.



Failure to disclose a material fact is an offence which carries a maximum penalty of \$22,000 under the *Property, Stock and Business Agents Act*.

Generally speaking, it is wise to be upfront and

honest with any prospective tenants or purchasers.

Moving on

It's important that you keep the landlord informed of the progress and outcome of the police investigation.

When a tenant dies, the landlord and the legal personal representative of the tenant each have the right to give a termination notice to the other to end the tenancy agreement.

A termination date before the end of a fixed term agreement may be specified in the notice.

The tenant's estate may give vacant possession before the specified termination date and will not be liable to pay rent after giving vacant possession.

When a tenant dies inside a property, specialist cleaners are often required to ensure the interior is ready for new occupants.

It is best to discuss this with the tenant's estate, as they are responsible for cleaning costs. ♦

For more information on dealing with the death of a tenant or to get advice on other matters, contact the free Member Helpline on (02) 9264 2343 or visit www.reinsw.com.au/helpline for the answers to commonly asked questions.

Biggest challenges revealed

BY TINA LIPTAI

Major study finds strata managers rate their working relationships with owners as one of the main challenges of the job.

The study, called *Governing the Compact City: The role and effectiveness of strata management*, by the University of NSW is the first to look into the experiences of strata living in Australia.

A quarter of Sydney people live in strata schemes, which Dr Hazel Easthope describes as virtually a fourth tier of government because Owners' Corporations have the power to levy taxes as well as make and enforce rules about behaviour.

The research included surveys and interviews with 1550 people including strata managers, executive committee members and strata owners.

Findings for strata managers

Lead author of the study Dr Easthope, research fellow at the City Futures Research Centre at UNSW's Faculty of The Built Environment, said agents were asked to name the three main challenges they faced in effectively managing strata schemes throughout their career.

"The most common response to this question was owner education, followed by the expectations of owners and knowing, and complying with, legislation," Dr Easthope said.

"Other common responses included relationships with owners, managing their workloads, the behaviour



of owners, poor public perception of strata managers and managing disputes.

"From this list, it is evident that many of the challenges facing strata managing agents are not associated with the day-to-day tasks of their job, with regard to record keeping or managing accounts, but rather relate strongly to their

relationships with owners in the schemes they manage and the knowledge and education of all those involved in running a scheme."

The study also found 51 per cent of owners were satisfied with the services provided by their strata manager with just 27 per cent saying they were dissatisfied.

"The most common reason for both satisfaction and dissatisfaction of owners with their strata managing agent was responsiveness to enquiries and communication," Dr Easthope said.

"Communication was a more important reason for both satisfaction and dissatisfaction than value for money."

Dr Easthope said, based on the findings of the research, strata managers should make it a priority to improve transparency and timeliness of communication with the executive committee members and owners.

Other findings

The report identified a number of major problems with strata living.

Seven out of 10 strata owners reported they had had one or more building defects including internal water leaks, cracks and water seeping in from outside the building.

Building problems were even worse when the building was

relatively new. A total of 85 per cent of strata title owners in buildings built since 2000 said there were defects in the construction. Three in four of them said defects were not fixed.

The most common problems were that the developer and/or the builder held control of the building scheme and delayed the rectification of defects, or the builder was no longer operating and therefore could not remedy the defects.

Parking, noisy neighbours and obeying by-laws were the biggest source of disputes; cars parking on common property, especially in visitor parking spots, caused most friction.



The most common reason for both satisfaction and dissatisfaction of owners with their strata managing agent was responsiveness to enquiries and communication.



NSW Minister for Fair Trading Anthony Roberts launched the study and said it was a valuable resource as the government reviews strata law in the next 12 months.

The launch of the study coincides with the release of a report based on information gathered through online public consultation as part of the government's review of strata laws. ♦

The University of NSW study can be accessed by visiting www.cityfutures.net.au and following the links. The report on the online consultation can be accessed at the NSW Fair Trading website at www.fairtrading.nsw.gov.au

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		<p>SYDNEY Real Estate Licensing course commences – 3 days per week for 8 weeks (9.30am-4.30pm)</p>		<p>SYDNEY CPD An agent's guide to tax and property investment (9.30am-1.30pm)</p>	<p>SYDNEY CPD Buyers' Agents short course (9.30am-1.30pm)</p>	
				<p>ILLAWARRA Novice Auctioneers Competition</p>		
6	7	<p>WEBINAR Negotiation skills for property managers (10.00am-11.00am)</p>	8	9	10	11
<p>SYDNEY Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)</p>		<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
<p>SYDNEY CPD The D-E-F of Compliance (9.30am-1.30pm)</p>	<p>SYDNEY CPD Prepare for selling like never before (9.30am-1.30pm)</p>	<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
	<p>BOWRAL CPD The A-B-C of Compliance (9.00am-1.00pm)</p>	<p>NOWRA CPD The A-B-C of Compliance (9.00am-1.00pm)</p>	<p>WOLLONGONG CPD The A-B-C of Compliance (9.00am-1.00pm)</p>	<p>CANBERRA CPD Business relationships with clients for life (9.00am-4.00pm)</p>		
		<p>SYDNEY Breakfast Club (7.30am-9.30am)</p>		<p>ALBURY Novice Auctioneers Competition</p>		
13	14	15	16	17	18	19
<p>SYDNEY Certificate of Registration Course (part time) - commences (9.00am-5.00pm)</p>		<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
	<p>FORSTER CPD Prepare for selling like never before (9.00am-1.00pm)</p>	<p>CENTRAL COAST Novice Auctioneers Competition</p>	<p>PARRAMATTA CPD Maximise your new management success rate (9.00am-1.00pm)</p>	<p>SYDNEY Strata Management Forum (3.00pm-5.00pm)</p>		
20	21	22	23	24	25	26
<p>EAST SYDNEY Novice Auctioneers Competition</p>	<p>TAMWORTH CPD Country Forum (9.00am-1.00pm)</p>	<p>SYDNEY Certificate of Registration Course (part time) - concludes (9.00am-5.00pm)</p>		<p>CANBERRA CPD Property management fundamentals (9.00am-4.00pm)</p>		
	<p>NEW ENGLAND Divisional Meeting</p>	<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
		<p>SYDNEY Commercial Conference</p>		<p>SYDNEY CPD The A-B-C of Compliance (9.30am-1.30pm)</p>	<p>WEBINAR Managing brilliant auctions - What to do after auction (10.00am-11.00am)</p>	
				<p>ORANA Novice Auctioneers Competition</p>		
27	28	29	30	31	SEP 1	2
<p>SYDNEY Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)</p>		<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
<p>CANBERRA Certificate of Registration Course (full time) – 5 days (9.00am-5.00pm)</p>		<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
<p>SYDNEY CPD Work, Health and Safety for property managers (9.30am-1.30pm)</p>	<p>DUBBO CPD The D-E-F of Compliance (9.00am-1.00pm)</p>	<p>SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)</p>				
		<p>ORANGE CPD The D-E-F of Compliance (9.00am-1.00pm)</p>	<p>SYDNEY CPD Residential sales short course (9.30am-1.30pm)</p>			

SEPTEMBER 2012

MON	TUE	WED	THU	FRI	SAT	SUN
 <ul style="list-style-type: none"> ■ CPD workshops – go to www.reinsw.com.au for course descriptions and prices ■ Certificate of Registration Course (Real Estate) (full and part time as indicated). Price includes REINSW Student Membership ■ Licensing Course ■ Forums and Divisional meetings ■ Novice Auctioneers Competitions ■ Webinar 					1	2
3	4	5	6	7	8	9
	SYDNEY CPD The A-B-C of Compliance (9.30am-1.30pm)	SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)			SYDNEY Certificate of Registration Course (part time) - commences (9.00am-5.00pm)	
	PARRAMATTA AND HILLS Novice Auctioneers Competition		ARMIDALE Country Forum (9.00am-1.00pm)			
10	11	12	13	14	15	16
SYDNEY Certificate of Registration Course full time – 4 days (9.00am-5.00pm)					SYDNEY Certificate of Registration Course (part time) - continues (9.00am-5.00pm)	
CANBERRA CPD Effective Tribunal preparation (9.00am-1.00pm)	SYDNEY Inside the auction process (10.00am-12.00pm)	SYDNEY Real Estate Licensing course continues – 3 days per week for 8 weeks (9.30am-4.30pm)				
SYDNEY CPD The D-E-F of Compliance (9.30am-1.30pm)	GOSFORD CPD The A-B-C of Compliance (9.00am-1.00pm)	NEWCASTLE CPD The A-B-C of Compliance (9.00am-1.00pm)	TAREE CPD The A-B-C of Compliance (9.00am-1.00pm)			
	ST GEORGE & SUTHERLAND Novice Auctioneers Competition	SYDNEY CPD Prepare for selling like never before (9.30am-1.30pm)	NEWCASTLE Novice Auctioneers Competition			
17	18	19	20	21	22	23
	TWEED HEADS CPD The D-E-F of Compliance (9.00am-1.00pm)	SYDNEY Real Estate Licensing course concludes – 3 days per week for 8 weeks (9.30am-4.30pm)			SYDNEY Certificate of Registration Course (part time) - continues (9.00am-5.00pm)	
		SYDNEY Property Management Forum (3.00pm-5.00pm)	PENRITH CPD Creating impact and influence (9.00am-1.00pm)			
		BYRON BAY CPD The D-E-F of Compliance (9.00am-1.00pm)	LISMORE CPD The D-E-F of Compliance (9.00am-1.00pm)			
		NORTH Novice Auctioneers Competition				
24	25	26	27	28	29	30
SYDNEY Certificate of Registration Course full time – 4 days (9.00am-5.00pm)			SYDNEY CPD Mastering retail leases (9.30am-1.30pm)	SYDNEY Certificate of Registration Course (part time) - concludes (9.00am-5.00pm)		
	SYDNEY CPD Maximise your new management success rate (9.30am-1.30pm)	SYDNEY Auctioneers Accreditation – 3 days (9.30am-4.30pm)				
	WEBINAR Under one roof - managing the generation gap (10.30am-11.30am)	NEW ENGLAND Novice Auctioneers Competition	CAMPBELLTOWN CPD Work Health and Safety for property managers (9.00am-1.00pm)			

MEMBER PROFILE: ADAM GUTHRIE



"As an independent agency, to be able to enter the Awards for Excellence is a great benefit."

Starting his own agency was easier knowing advice and support from REINSW was a phone call away.

Adam Guthrie began his real estate career by joining his parents' Berry agency in 1994. Throughout his career, Adam has been committed to providing a high level of service to owners and purchasers on the south coast.

After 14 years in the industry, he took time off. But when a former client called, Adam could not resist returning to the industry.

Adam and his wife, Ruth, established Adam Guthrie Lifestyle Property in 2009, a boutique agency focused on selling unique and interesting property along the south coast.

"We see the value in being a member," Adam said

"The information we can get access to, especially legal advice, is very good for us as we are a boutique agency.

"As an independent agency, to be able to enter the Awards for Excellence is a great benefit and the extensive amount of training REINSW offers is also very valuable."

To find out more about REINSW membership, call (02) 9264 2343 or visit www.reinsw.com.au

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TRADING REFERENCE AUSTRALIA (TRA) IS A NATIONAL DATABASE RELATING TO RESIDENTIAL AND COMMERCIAL RENTAL INFORMATION USED BY REAL ESTATE AGENTS AROUND AUSTRALIA.

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- ☀ TRA creates a more professional image.
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This revolutionary new tool streamlines processes and enables estate agents to maximise the time spent on revenue-generating activities (prospecting and selling) rather than administration.

Developed by real estate experts, Touchbase is a product offered exclusively to subscribers of realestateVIEW.com.au and propertyDATA.com.au.

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Touchbase simplifies a range of tasks across the buying/selling real estate cycle, enabling estate agents to foster better relationships with buyers and vendors.

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The commission advance industry in the USA and Canada has been established for over 20 years, with many franchise chains having a preferred supplier relationship with a commission advance company.

Express Commission has been providing commission

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The amount of a commission advance will vary between 75% - 90% (depending upon the number of days until settlement) of the agency commission entitlement and any unpaid vendor advertising.

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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 Inshtrix on behalf of REINSW

SYDNEY	May-12	Apr-12	Mar-12	Feb-12	Jan-12	Dec-11	Nov-11	Oct-11	Sep-11	Aug-11	Jul-11	Jun-11	May-11
Inner	1.6	1.7	1.5	1.5	1.7	1.5	1.2	1.3	1.5	1.5	1.5	1.4	1.1
Middle	1.7	1.6	1.9	2.0	2.1	2.0	1.7	1.6	1.4	1.6	1.5	1.3	1.5
Outer	1.9	1.7	1.5	1.9	1.8	1.4	1.3	1.4	1.3	1.3	1.6	1.7	1.5
Total	1.7	1.7	1.6	1.8	1.9	1.6	1.4	1.4	1.4	1.5	1.5	1.5	1.4
HUNTER													
Newcastle	1.6	1.6	1.6	1.3	1.5	1.1	1.6	1.9	1.3	1.8	1.4	1.3	1.5
Other	1.7	1.7	1.6	1.5	1.5	1.2	1.4	1.5	1.8	1.8	1.6	1.3	1.2
Total	1.7	1.6	1.6	1.4	1.5	1.1	1.4	1.7	1.6	1.8	1.5	1.3	1.3
ILLAWARRA													
Wollongong	2.8	2.9	3.0	2.4	2.3	2.1	2.2	1.8	1.6	1.6	1.3	0.9	1.3
Other	1.5	2.0	1.7	2.5	2.0	1.4	1.6	1.4	1.3	1.5	1.3	1.4	1.3
Total	2.1	2.3	2.0	2.5	2.1	1.6	1.8	1.7	1.4	1.6	1.3	1.2	1.3
REGIONAL													
Albury	1.5	1.8	1.2	1.6	2.0	1.7	1.4	1.9	1.7	1.9	2.0	2.4	2.6
Central Coast	2.6	2.3	2.2	1.6	1.4	1.6	1.5	1.7	1.9	2.1	2.0	2.6	2.1
Central West	2.1	1.7	2.3	1.5	1.8	1.9	1.3	1.7	1.4	1.3	1.7	1.6	2.0
Coffs Harbour	4.7	4.0	4.9	4.1	4.0	3.6	4.2	4.1	3.8	3.7	3.5	3.4	3.1
Mid-North Coast	2.3	2.1	2.2	2.2	2.2	1.9	1.6	1.8	1.9	1.8	2.1	2.0	1.8
Murrumbidgee	1.4	1.0	1.8	1.3	3.2	2.8	2.9	2.5	2.2	2.4	3.0	2.6	2.7
New England	2.4	2.9	3.4	2.8	2.9	2.9	2.4	2.4	2.4	2.6	2.5	2.5	2.4
Northern Rivers	2.7	3.0	2.4	3.9	3.2	2.7	2.8	3.0	3.0	2.6	3.9	3.8	3.1
Orana	1.4	1.3	1.6	1.6	1.2	1.5	1.5	1.5	1.2	1.4	1.6	1.7	1.9
Riverina	3.3	3.1	4.4	3.9	3.9	3.5	4.2	3.7	3.4	3.1	3.1	3.0	3.4
South Coast	3.7	2.2	3.1	2.6	2.7	1.9	2.1	2.2	2.9	3.1	2.6	2.6	1.7
South Eastern	3.4	3.4	2.2	2.1	2.5	2.2	1.6	1.5	1.7	1.9	1.8	1.5	1.5

NSW weekly auction clearance rates — provided by propertyDATA.com.au

Week ending	Total auctions	Total value \$M	Clearance rate	Sold prior to auction	Sold at auction	Sold after auction	Passed in total
10/06	298	\$110.64	62%	53	118	14	113
03/06	465	\$176.77	59%	81	178	16	190
27/05	502	\$191.98	60%	97	191	12	202
20/05	493	\$213.79	63%	90	211	10	182
13/05	437	\$194.28	64%	85	181	15	156
06/05	453	\$186.01	63%	64	209	12	168
29/04	409	\$112.72	52%	51	149	12	197
22/04	423	\$156.16	61%	71	170	15	167
15/04	380	\$138.66	62%	64	157	13	146
08/04	291	\$120.20	63%	46	119	17	109
01/04	821	\$353.67	59%	144	318	23	336
25/03	565	\$256.77	62%	91	250	12	212

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In full swing for a good cause

Most mates enjoy a game of golf or poker, but these guys are on a mission.

Principals of Richard Matthews Real Estate, Matthew Everingham (left) and Richard Bains support Mates On A Mission.



Principals of Richard Matthews Real Estate, Richard Bains and Matthew Everingham, are happy to put on a poker face or practise their swing to help out Mates On A Mission.

The charity organisation was co-founded by NSW Blues State of Origin hooker Robbie Farah and both Richard and Matthew said they were pleased to donate time and money to support the cause.

Not only do they participate in Mates On A Mission fundraisers, the pair also lend their talents to the events with Richard taking on the role of MC and auctioneer to help raise money at the most recent annual golf day in December.

“Robbie is a mate and he discussed it with me — I think it’s a tremendously worthy cause to help children and schools,” Richard said.

“I think it’s a tremendously worthy cause to help children and schools.”

“We feel we have been very fortunate, so to do what we can to help out others and give back to the community is really important to us.”

The charity is now gearing up to host its first annual Gala

Dinner in August, but it’s the annual poker tournament that both Richard and Matthew have their sights set on supporting again in the coming months.

Mates On A Mission has raised more than \$200,000 for local public schools over the past few years. ♦

For more information on upcoming MOAM events visit www.matesonamission.com.au

YOUR STORY We want to hear your stories!

If you, or a member you know, supports a charity, you can share the story in the ‘Last Word’. Email the editor at tina@mahlabmedia.com.au

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Publisher: Mahlab Media
(02) 9556 9100
www.mahlabmedia.com.au

Feature and cover photography by Studio Commercial

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