

# Journal

MARCH 2012  
VOL 63/02



**family  
framework**  
business foundations  
for future generations

**Be a media darling**  
How to gain positive  
media attention

**Words of wisdom**  
Max Raine reflects  
on how family values  
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**Planning the  
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25



26



Colin and Andrew Croll discuss how to keep a family business thriving for future generations.

14

# Contents

MARCH 2012

## REGULARS

- 04 Member rewards
- 05 President's message
- 05 CEO's message
- 06 In brief
- 07 REINSW in the media
- 40 Training calendar
- 42 New members
- 44 Research
- 45 Supplier directory
- 46 Last word

## NEWS

- 9 Office vacancy rate drops  
Sydney showed little growth, despite a drop in national office vacancy rates.
- 10 Growth to boost housing supply  
Homebuyers will be the big winners under a new growth plan.
- 11 Fair Work's real estate focus  
Inspectors to audit 350 real estate agents across NSW.

- 12 Call for more rate relief  
The decision not to cut rates in February left the building and housing industry disappointed.

- 13 Call for independent decisions  
Homeowners want independent experts to make decisions on development.

## TECHNOLOGY

- 18 Make your digital mark  
Use social media to build trust with your digital footprint.

## IN BUSINESS

- 20 Hard conversations made easy  
Being open and honest during difficult conversations can clear the air.

- 22 Super mistakes can be costly  
Don't risk mistakes when calculating superannuation for your staff.

## CHAPTERS

- 30 Pet's paradise is big business  
Furry holidaymakers can be profitable with the right approach.

- 32 A very risky business  
Don't risk having a claim made against you by uninsured landlords.

- 34 Price your rent roll  
Five tips to consider.

- 35 Know your BEECs  
What you need to know about Building Energy Efficiency Certificates.

- 36 Reducing the cost of strata living and working  
Avoid rising strata and community scheme costs with money saving measures.

- 38 Auction anxiety  
There are steps you can take to give your auction the best chance of success.

- 39 Will an EBU work for you?  
A team-based approach to selling can be risky, but the rewards can be substantial.

## FEATURES

- 14 COVER STORY  
Family framework  
Business foundations for future generations.

- 25 Planning for the Australian dream  
Our future housing needs.

- 26 Be a media darling  
How to gain positive media attention.

- 28 Words of wisdom  
Max Raine reflects on how family values help business.

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## Succeed and thrive with REINSW

Even though the property market is showing some initial signs of recovery, business remains tight. Now more than ever agents need to differentiate themselves in order to succeed and thrive.

For too long, agents have been asking: "Why do I give away my sales data and then buy it back at an inflated price?" It's time to take back control of our data!

### Property profile

As part of a joint venture with REIV, REINSW has now secured an industry owned and operated data source – [propertyDATA.com.au](http://propertyDATA.com.au)

Using this data, REINSW will now be producing a comprehensive data publication – *REINSW Property Profile*. Published quarterly, *Property Profile* will provide a review of the property market in NSW.

Along with detailed analysis of quarterly data, it will set out median house and unit prices by Local Government Area (LGA) and suburb for the Sydney metropolitan area and regional NSW. Auction statistics, residential rents and vacancy rate data will be included, as well as information relating to key market indicators such as interest rates, CPI, new housing supply and more.

*Property Profile* will be available for free to all REINSW members and will become an essential tool for agents in developing their understanding and

knowledge of their own market and how it relates to other areas in NSW.

Access to this comprehensive data will provide REINSW members with a point of difference as they will be able to provide a more thorough view of the market to their clients.

*Property Profile* will also provide REINSW with an improved data set on which to comment on market trends, further positioning REINSW as the industry experts. The launch edition of *Property Profile* will set out data for the December 2011 quarter and will be available to REINSW members by the end of March 2012.

### Lobbying for change

We have also been lobbying on a range of issues, including the need to implement mandatory professional indemnity insurance, improvements to the planning system and the impact of the proposed national licensing framework. We have had positive meetings with Minister for Fair Trading Anthony Roberts and Commissioner for Fair Trading Rod Stowe.

We will continue to lobby for the best outcomes for our members and for the wider industry.

**Christian Payne**  
REINSW President



## Strata reform must recognise lifestyle

With no fewer than 10 pieces of legislation directly regulating the development and management of strata and community schemes, the NSW Government's decision to review existing strata laws is to be applauded.

It is time to simplify the legislative framework to make strata laws easier to understand and, at the same time, recognise existing and future requirements.

### Meeting community needs

Strata living continues to grow in popularity and this is a trend that we can expect to continue.

Our lifestyles are changing. Increasingly the traditional quarter-acre block is being traded for high quality, higher-density living.

In this context, it is more than appropriate for the existing strata laws to be reviewed and tested to determine whether they satisfy community requirements and expectations.

### Encouraging development

The current strata laws are a significant hurdle for development and make it extremely difficult for residents of a scheme to renovate or develop.

What we need is a system where development can proceed in circumstances where the overwhelming majority of lot owners identify the economic and commercial advantages of renovation or development, but at the same time protect

and respect the individual rights of property owners.

It must be a fundamental objective to protect the rights of the owner, the purchaser and the asset. It is also important to recognise that all buildings deteriorate with time and use, and will therefore require maintenance. Provision must be made for this maintenance.

Further, we need a system that simplifies the ability to budget for major works, or to help make the appropriate decisions for the termination of strata schemes, when appropriate.

### Resolving disputes

The growth of strata living will inevitably create an increase in strata-related disputes that will need to be resolved in a cost-effective and expeditious manner. Accordingly, consideration should be given to a specialist tribunal.

Education also has a key role to play in ensuring that all parties understand their rights and obligations.

Meaningful reform is certainly needed and I look forward to the outcomes of this review.

**Tim McKibbin**  
REINSW CEO

## Land values issued

NSW Valuer General Philip Western has published updated land values for a number of areas across the state.

Mr Western said landowners and rate paying lessees will receive a Notice of Valuation when new land values have been issued to their council to use in the determination of rates.

Mosman, Upper Hunter, Tweed, Narrabri, Hornsby, Manly, Albury, Hawkesbury, Maitland, Cobar and Bourke are among the areas with new land values.

“These land values are fixed for rating until new values are issued to council,” he said.

“Property sales are the most important factor considered by valuers when determining land values.”

*To find out more about land values or the land valuation system call 1800 110 038 or visit [www.lpi.nsw.gov.au/valuation](http://www.lpi.nsw.gov.au/valuation)*



## Rural market to remain subdued

Favourable commodity prices and good growing conditions are expected to keep the rural property market subdued this year as farmers use the positive position they are in to consolidate their finances.

While farmers may be holding back, foreign buyers, notably from China, are expected to play

an increasing role in filling the gap in the market, *The Australian Financial Review* reported.

In northern NSW, cotton farmers have enjoyed the best conditions for years and are predicted to either hold back from selling and take advantage of the growing conditions, or wait for higher

prices from a growing number of start-up rural land funds targeting the area.

Landmark NSW Real Estate Manager Phil Rourke said although auction clearance rates showed 2011 was a slightly better year, the rural market still needed this year to recover before taking off again.

## Positive sentiment falls in NSW

The NSW and Victorian property markets have been stranded by declining confidence, while resource-driven states are increasingly positive, according to new research from the Property Council of Australia and ANZ.

*The latest Property Council ANZ Property Industry Confidence Survey shows positive sentiment grew in the Northern Territory, Western Australia,*

Queensland and South Australia – which all have a strong resources sector.

However, sentiment fell in NSW and Victoria – the states with the largest property markets – as well as the ACT and Tasmania.

The survey polled 2800 property industry professionals across all Australian states and territories in December 2011.

It found confidence across Australia rose slightly in the three months to December, from 104 to 107 on the survey index. A value of 100 represents a neutral position on the index.

Property Council Chief Executive Peter Verwer said overall, property professionals have a reasonably positive view of the sector’s short-term future.

“However, it is clear that Europe’s debt woes, a slow

recovery in the US and disappointment in Australia’s political leadership are making property participants nervous about Australia’s economic prospects,” he said.

“Of particular concern for property players is NSW. While it is too early to say that investors have placed the state on ‘credit watch’, almost a year into a new government it is clear there is a growing disillusionment in the state’s rate of progress.”

## Employers' positive expectations

Employer confidence in the construction, property and engineering sector is strong, with almost 40 per cent of managers looking to hire, according to a nationwide survey.

Released quarterly, the *Hudson Report* is based on in-depth, nationwide research and analyses the hiring expectations of Australian employers.

The latest report, which surveyed 4338 employers, shows employment

expectations remain positive despite widespread negative international sentiment. All sectors reported positive employment expectations, led by a robust resources sector.

A strong 35.9 per cent of surveyed employers across Australia reported intentions to increase the number of permanent employees in the first three months of 2012 and more than half, 54 per cent, planned to keep headcount steady over the same period.

On the back of the robust resources sector, employer confidence in construction/property and engineering is strong, with net 38.7 per cent of hiring managers intending to increase permanent headcount in the first quarter of this year.

A total of 44.8 per cent of employers in the sector are reporting plans to increase the number of permanent employees in their organisation.

## REINSW IN THE MEDIA

Vacancy rates and land values were key topics recently covered by the media.

### Print

#### Vacancy rates

- REINSW CEO Tim McKibbin said the residential market was suffering under heavy demand that far outweighs supply, in an article featured in the *Daily Telegraph*. Tim said it was a 'landlords' market' and predicted rents will remain high for as long as supply does not meet demand. He said the residential rental market needed to be looked at like any other market as it is driven by supply and demand.

- Tim called for all levels of government to work together to address the chronic shortage of rental accommodation in an article featured in the *Illawarra Mercury*. He also explained that according to REINSW's vacancy rate survey, Wollongong's vacancy improved slightly, increasing 0.4 per cent to 2.2 per cent. This is in contrast to what is happening in Sydney.

### Radio

- REINSW President Christian Payne spoke about REINSW's vacancy rate survey results on *KO FM* in Newcastle, *ABC Illawarra*, *2GB* in Sydney, *MIX FM* in Sydney, *2DU* in Dubbo, and *i98 FM* in Wollongong.

### TV

- Christian spoke about land values across Sydney in an interview on *National Nine News*.

## Mortgage market set for a busier year

The mortgage market is gearing up for a busier year, new analysis by an Australian financial comparison website suggests.

Two successive Reserve Bank of Australia (RBA) interest rate cuts late last year and discounting by lenders eager to kick-start the borrowing market already point to growth in 2012.

First homebuyers have also started to return to the market, with recent RBA data showing that they make up 20 per cent of all mortgages for the first time in almost two years.

Data compiled by RateCity, a financial comparison organisation, reflects this trend and shows increased activity in the past six months of prospective homebuyers comparing home loan deals on their website.

Applications for home loans through RateCity jumped by 41 per cent in December 2011, compared to July 2011.

RateCity also recorded a 23 per cent increase in home loan applications for the first three weeks of January 2012 compared to January 2011.



RateCity's CEO Damian Smith said the mortgage market is picking up.

"This year, the mortgage market looks set to recover from the past two years of slower growth," Mr Smith said.

"While we're yet to see the strong numbers of home buyers from five years ago, lenders are likely to see business improving this year as borrowers react to lower prices and interest rates."

Homebuyers started to pick up towards the end of 2011, with almost 51,000 home loans financed in November, according to the latest figures from the Australian Bureau of Statistics released in January.

"This is the biggest number of home loans financed recorded by the ABS for two years," Mr Smith said.

"The dollar value of these home loans was almost \$15 billion in November alone."

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# Office vacancy rate drops

Sydney showed little growth, despite a drop in national office vacancy rates.



The Property Council of Australia's latest *Office Market Report* reveals strong expansion in occupied office space continued through the second half of 2011.

The amount of space absorbed increased nine per cent from the first half of the year. This expansion helped bring the national office vacancy rate down from nine per cent in July 2011 to 7.9 per cent in January 2012 — the lowest rate since January 2009 and the biggest drop since July 2007.

CBRE Regional Director, Office Services, James Patterson said Australia's office market performance was outstanding by global standards, with vacancy rates in Europe and the US continuing to hover in the mid-to-high teens and every chance that vacancy would rise further in the major markets of the Euro zone.

"Even if employment weakened in 2012 and this led to higher office vacancy, there's no question Australia would start from a very strong position by global standards, just as it did in 2007," Mr Patterson said.

However, Mr Patterson said the overall numbers released in the report masked huge variation in performance from city-to-city.

"Perth and Brisbane outperformed expectations, with the resources sector continuing to expand strongly in both cities," Mr Patterson said.

“Concerns about the global economic and financial outlook have led business to be very cautious about committing to more office space in Sydney.”

CBRE Executive Director, Global Research and Consulting, Kevin Stanley said the biggest disappointment in the *Office Market Report* numbers was Sydney, with little growth in occupied office space despite Sydney being the largest CBD in the country.

While the expansion in occupied space was positive, it was very weak and the vacancy rate has increased slightly to be 9.6 per cent.

## HOW SYDNEY PERFORMED

### SYDNEY

Sydney CBD has fared reasonably in the past six months, all things considered. Since the Property Council of Australia's release of statistics in mid-2011, CBRE have seen only a negligible increase in total vacancy. This is despite almost nil financial services demand and a distinct lack of net take up of those groups who have relocated.

It is also significant that the level of sublease vacancy has altered very little.

CBRE see the year ahead as one continuing the tempo witnessed in 2011. CBRE anticipate improved business confidence, but see this occurring incrementally rather than in leaps and bounds.

### SYDNEY'S NORTH SHORE

The movement across the board on the north shore with reduced vacancies in all markets is consistent with activity levels pre-Christmas.

What it means now is virtually non-existent vacancy in north Sydney for any requirement over 2000 square metres. This will result in a further tightening

of stock in alternative markets such as St Leonards and Chatswood over 2012.

For the agent on the street, it means more activity in the sublease market.

### MACQUARIE PARK AND NORTH RYDE

Following a strong second half of 2011, Macquarie Park has achieved the lowest vacancy rates since January 2008 — a reflection of the limited supply since the global financial crisis.

The strong net absorption of circa 13,000 square metres in the six months to January 2012 will continue as over 6000 square metres of deals finalise and tenants start to take occupation.

With significant rental savings still available to tenants looking to move from other CBDs, CBRE expect good activity as companies seek to achieve cost savings to improve their bottom line.

*Information supplied by CBRE's Jenine Cranston, Senior Director, Office Services; Peter Flint, State Director, Office Services and Simon van Grootel, Director, Industrial and Office Park.*

"Concerns about the global economic and financial outlook have led business to be very cautious about committing to more office space in Sydney, where the share of companies in the finance and insurance industries is the highest in Australia," Mr Stanley said.

"With global uncertainty likely to continue through 2012, we don't expect the Sydney

market to expand strongly again in the year ahead.

"But we do hold out hope that when the European financial mess is sorted, global confidence will return and Sydney will expand strongly once again. The initiatives of the new State Government will also eventually lead to a more active state economy." ♦

# Growth to boost housing supply

Homebuyers will be winners under a new growth plan, which is set to deliver homes in western Sydney to market faster, the development industry says.

The Urban Development Institute of Australia NSW has welcomed the Sydney Growth Centres Strategic Assessment Program which was signed off by the Commonwealth and NSW Governments. The program aims to support 30 years of sustainable growth in western Sydney.

Federal Environment Minister Tony Burke and NSW Planning and Infrastructure Minister Brad Hazzard said the program would streamline delivery of new homes to meet growth, cut red tape for developers and provide certainty for communities.

The program will take an overall strategic approach to environmental protection in Sydney's northwest and southwest growth centres, rather than requiring individual developers to take a project-by-project approach to environmental protection.

Mr Burke said the program would free up at least 2500 hectares of land for employment, facilitate delivery of more than 180,000 homes and drive more than \$7.5 billion in infrastructure investment.

"We are making sure that we're developing sustainable communities that accommodate Sydney's growing population over the next 30 years, while providing certainty around how development can progress and ensure protection of our critically endangered environment like the Cumberland Plain Woodland," Mr Burke said.

A strategic assessment reduces red tape by considering federal and state environmental planning issues in a single assessment process and



gives greater upfront clarity to developers, landholders, planners, industry, government and the community.

“  
We are making sure that we're developing sustainable communities that accommodate Sydney's growing population over the next 30 years.”

It means that once a program has been endorsed under the *Environmental Protection and*

*Biodiversity Conservation Act* and the types of development or activities allowed to take place have been approved, individual projects do not need any further approval under national environmental law if done in accordance with the approved program.

The Sydney Growth Centres Strategic Assessment incorporates a \$530 million commitment by the NSW Government for the Growth Centres Conservation fund to be invested on the Cumberland Plain in western Sydney.

The Urban Development Institute of Australia NSW Chief Executive Stephen Albin said that as well as saving on the costs of extra consultancy reports, developers would also have

their land holding costs substantially reduced because they could bring homes to market much sooner.

Homebuyers would be the eventual winners because they would not have to bear those costs in the price of a new home, Mr Albin said.

Mr Albin said Sydney needed to produce at least 25,000 new homes per year to cater to future population growth and keep housing prices down.

The National Housing Supply Council's report issued in December 2011 noted NSW has the biggest gap between housing supply and demand of all states. ♦

For more information visit [www.environment.gov.au](http://www.environment.gov.au)

# Fair Work's real estate focus

Inspectors to audit 350 real estate agents across NSW.

The Fair Work Ombudsman is checking the books of real estate agents as part of a two-month education and compliance campaign in NSW.

Fair Work inspectors have selected 120 real estate agents in metropolitan Sydney and 230 in regional NSW for audit during February and March.

Fair Work inspectors are checking that agencies are paying employees correctly, with a particular focus on ensuring salespeople paid on a commission-only or part-commission basis are receiving their full entitlements.

Inspectors are also checking that reception and administrative staff are being paid their full entitlements, including minimum pay rates and penalty rates.

Areas of Sydney included in the campaign are Blacktown, Bondi, Bronte, Burwood, Camden, Campbelltown, Caringbah, Carlton, Castle Hill, the CBD, Chatswood, Hurstville, Ingleburn, Leichhardt, Liverpool, Manly, Maroubra, Miranda, North Sydney, Padstow, Parramatta, Penrith, Port Macquarie, Potts Point, Pyrmont, Randwick, Rockdale, Strathfield, Sutherland and Thornleigh.

Regional areas include Dubbo, Gosford, Newcastle, Lismore, Nelson Bay, Nowra, Orange, Terrigal, The Entrance and Wollongong.

Fair Work Ombudsman Nicholas Wilson said the campaign was being conducted in response to concerns raised by key industry stakeholders that some employers are not complying with pay obligations to salespeople who receive commissions.

Educational information relating to workplace laws was promoted to real estate

agencies throughout NSW in the second half of last year through workshops, a webinar and distribution of fact sheets.

Tools and resources, including PayCheck Plus and an Award Finder, to assist business-owners calculate the correct pay for their employees are available by visiting [www.fairwork.gov.au](http://www.fairwork.gov.au) ♦

*Workers or employers seeking support should get in touch with the Fair Work Ombudsman via the website or call the Fair Work Infoline on 13 13 94.*

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# Call for more rate relief

The Reserve Bank of Australia's decision not to cut rates in February left the building and housing industry disappointed.

The Reserve Bank of Australia missed an opportunity to bolster business and household confidence, according to the Housing Industry Association's (HIA) Chief Economist Harley Dale.

HIA is Australia's peak body for the residential building industry.

"The global and domestic economic outlook remains clouded, within which new housing activity in Australia faces the risk of revisiting global financial crisis lows," Mr Dale said.

Master Builders Australia, the nation's peak building and construction industry association, also expressed disappointment arising from the decision to keep the official cash rate unchanged.

Master Builders' Chief Executive Wilhelm Harnisch said given the current poor conditions in the building industry, a rate cut was needed last month.

Monetary policy needs to be more supportive to underpin activity in the building industry, he added.

"The building industry was banking on a further rate cut to help boost confidence to stabilise an increasingly uncertain market," Mr Harnisch said.

"The Reserve Bank needs to reconsider its strategy and cut rates further to assist in driving a sustainable recovery in the building industry."

Mr Harnisch said the Master Builders' December quarter national survey revealed just how tough the business environment has become

now that the industry has lost the cushioning effect of government stimulus programs.

Sales and forward orders have fallen away dramatically as cautious clients, overseas events and difficulties accessing finance work against any upturn.

"Lower interest rates are needed to restore confidence in the building industry and drive a private sector recovery in the housing and commercial building markets," he said. ♦



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# Call for independent decisions

Homeowners want independent experts to make the decisions on significant development projects.

New research reveals the community wants independent experts – not local councillors – making decisions on significant development projects.

Conducted by Auspoll for the Property Council of Australia, the research looked at community attitudes towards council performance and development assessment.

More than 1000 homeowners across NSW were surveyed, particularly on the use of independent planning panels that determine significant projects.

The future of independent panels is being evaluated during the current review of the state's planning system.

Property Council of Australia's NSW Executive Director Glenn Byres said the state needs a planning system that is free of politics and which makes decisions that are consistent, open and honest.

"The community understands that is best delivered when an independent umpire acts as a guardian of the system and determines the fate of significant projects," he said.

"The role of the independent planning panels should be retained and consolidated in any new planning system to emerge in NSW."

Findings of the survey showed 78 per cent of people wanted independent experts in charge and only 22 per cent wanted local councillors making decisions.

A total of 83 per cent of people thought independent panels kept politics and self-interest out of planning and 88 per cent agreed independent panels could

help keep decisions consistent, transparent and honest.

"These findings show the use of independent planning panels can help give everyone confidence that decisions will be made on merit," Mr Byres said.

"It is time for councillors across NSW who oppose the use of planning panels to drop their calls for the elimination of independent experts in the system." ♦

*The research report is available at [www.propertyoz.com.au/nsw](http://www.propertyoz.com.au/nsw)*



## RESIDENTS THINK PLANNING SYSTEM IS TOO COMPLICATED

The State Government released an Issues Paper as part of NSW's most comprehensive review of the planning system.

The paper draws on submissions made last year to the review and is a summary of what communities from across the state have to say

about the planning system, including what they would change and what issues require further discussion.

"Nearly 2000 people have attended 91 community forums as part of the system review, while over 70 stakeholder meetings have been held," Minister for

Planning and Infrastructure Brad Hazzard said.

"People have made it clear that they find the current system far too complex and want simpler processes. There was also a lot of discussion about whether the planning system should be flexible or prescriptive in nature."

More than 300 written submissions were received as part of the process.

Further feedback was sought and will help develop policy options to be given to the State Government in April 2012. ♦

*The issues paper is available at [www.planningreview.nsw.gov.au](http://www.planningreview.nsw.gov.au)*



Andrew Croll with his father Colin (seated) and a photo of his grandfather Andrew Raleigh Croll.

# family framework

BY TINA LIPTAI

Some of the industry's most prominent agencies began as small family companies but for longevity a business needs more than just family ties.

---

Employing about half of Australia's workforce, family businesses are vital to the country's economy and an essential building block of communities.

While it's no secret that a blood relation is no substitute for hard work and dedication, a family business can still struggle to stand the test of time without the right people and framework to build on.

Passed from father to son, building on solid foundations, three generations of the Croll family have contributed to more than 100 years of business success.

## Learning the ropes

After six decades working at the business his father founded in 1904, you would be forgiven for thinking real estate

was something Colin Croll, 83, was born to do. But initially, Colin had other career plans.

After he completed his schooling in 1946, Colin began studying law. Though he liked some aspects of the legal profession, he soon found he was not cut out to be 'locked up' in an office or courtroom all day.

"I just wanted to get out in the open air," Colin recalled.

After a brief period in the advertising industry Colin entered real estate working under the then President of REINSW, Bill Duncan.

Back then, open house inspections were unheard of and every week an agent would personally visit each tenant to collect rent.

It wasn't until he had gained this experience in the workforce that Colin's father welcomed him into the business.

## Working together

Colin began work at Croll in 1950 and, when his father died in 1956, he took over the business at the age of 27. Since then, he has helped the business grow from very modest beginnings of just a handful of employees to a staff of 17.

Today, Colin works alongside his son Andrew, who joined Croll 20 years ago. Involved in the business while still in high school, Andrew said he always had real estate in mind as a career but never felt any pressure to carry on the legacy of his grandfather's business.

"It was something I enjoyed, so I headed in that direction with my career," he explained.

"When you are young you do look around and consider other careers, but at the end of the day, real estate is what I enjoyed the most.

"I think real estate, as an industry, has a lot of families involved because entry is reasonably easy. It's not like becoming a heart surgeon or something like that.

I also think if you grow up around a family business, there is a tendency for you to find that business appealing and want follow in that family business."

## Successful succession

Happy to welcome Andrew into the agency, Colin said he was glad one of his five children

were interested in carrying on the family business, but he wouldn't have been worried if Andrew chose a different path.

"I didn't want anyone in my family to take it on unless they wanted to. I didn't just want to see the business fade away in the hands of someone who wasn't dedicated to the business," Colin said.

"I think it's very important with family that you have someone who wants to come into the business for the right reasons. Joining the business should not be seen as an easy, or 'soft' option.

"It's good that we have someone like Andrew, and it does give me a warm feeling to see the business keep growing," Colin said.

"Andrew is extremely good, he has built up the business considerably and it's still going after 108 years, so we must be doing something right.

"We have also developed a formal agreement together about the business, so Andrew knows what the future holds."

Like his father before him, Andrew is adamant that, like any company, a prosperous family business relies on quality staff.

"I don't think family members should be able to just walk in and learn the ropes for the top jobs," Andrew said.

"They should have appropriate education first and then work their way up the ladder. I really believe they should also get experience working outside the business first."

Andrew holds a Land Economics degree, is a licensed agent and registered property valuer. As Managing Director, Andrew is still one of

the key salespeople at Croll and believes it is important to lead by example.

"Real estate needs to be something you are passionate about, not just something you walk into or do to keep other family members happy," he said.

"You won't crack it these days unless you are devoted to it. It used to be the case 50 years ago where you could just turn up and do your nine to five work day, but you can't do that today if you are going to be competitive.

**You need someone that wants to come into the business for the right reasons. Joining the business should not be seen as an easy, or 'soft' option.**

"You do have to prove yourself to other staff, clients and competitors, but to some extent everyone has to do that whether it's their family business or not.

"It's an industry where you've got to be as good as the next person because if you are not, then you won't survive."

Though his own children are yet to hit their teens, Andrew said he would be pleased to see one or both of them carry on the family tradition. But like his father, Andrew would not be concerned if they chose another career.

"It's really up to them. If I am still working here and one of them wanted to work here then that would be fine," he said.

### Family at home and work

Both Colin and Andrew agree their interactions outside of work are coloured by their professional lives, but it has not been detrimental to their relationship.

"I would have a very different relationship with my father if I worked in another industry," Andrew said.

"We have a very strong family relationship, but of course we do tend to talk about business outside of work sometimes.

"We've been working together for over 20 years, and for much of that in the same room, so that has made us close, and working so closely together definitely changes your relationship, but not in a bad way."

"Andrew is unusually perceptive and he is able to understand the needs of others and respond quickly. We have a respectful relationship," Colin added.

### The business of family

Philippa Taylor, Chief Executive Officer of Family Business Australia, the peak body for family and private business, said the idea of going into business with your spouse or family member can be appealing but the decision should not be taken lightly.

"Working with family can be extremely profitable, but it can also lead to broken dreams and broken marriages," she said.

Philippa said a number of key points were often overlooked when establishing a family business, including how family members will be promoted or eventually leave the business.

"It needs to be accepted early on that the business may evolve with time and go through many stages and, inevitably, the founders won't always be there to run it," she said.

"Establish early on how the founders will exit, whether this is once the fortune has been made or due to ill health (or even ill feeling). This isn't as negative as it sounds, and if borne in mind, putting proper processes into place will make more sense.

"Consider that the business may become so successful, that ensuing generations or other family members may wish to join it. Again, proper processes for managing this should be agreed on sooner, rather than later."

### Family feud

Inevitably, disputes between family members will arise and Philippa says often the process used to handle an issue is as important as the outcome. "A number of issues should be worked through, preferably with the help of an independent facilitator," she said.

"By ensuring that all parties are given a fair hearing and that all their concerns are discussed and addressed, the building blocks for a successful business will begin on a firm foundation."

Philippa said many families use an independent facilitator to establish, develop and manage these discussions, especially in the beginning. Meetings are best conducted away from the business. Some families plan a weekend away, using the 'family retreat' concept with a set agenda that combines fun with work.

### Clear roles

"One of the greatest governance challenges to family owned firms is the separation of ownership and management," Philippa said.



# 74 PER CENT OF ALL BUSINESSES IN AUSTRALIA ARE FAMILY OWNED WITH AN ESTIMATED WEALTH OF \$3.4 TRILLION.

“Family business operators often wear any one (or more) of the three ‘hats’ so well described in the widely accepted ‘three circle model of family business systems’.

“The overlapping three circles graphically depict family members who are not owners of the business and who do not work in the business; family members who merely work in the business as employees or managers; and family members who work in the business and are also owners.

“The members of business families invariably identify closely with their business and are emotionally involved in it. Even if they employ a non-family CEO or appoint an advisory board, they expect to have access to board members and the CEO, to communicate with them both in person and in writing, and to be provided with relevant information about the business when they ask for it.

“Non-family members joining a family business need to understand that family members expect their employees to be aware of and understand the family’s expectations in relation to the business; how they want it run and to what end.” ♦

## FAMILY BUSINESS ESSENTIALS

- Position descriptions should be specific and responsibilities clearly outlined.
- Processes for hiring, career development, promotion and remuneration for family members should be clear.
- Managing and maintaining communication between family members, including mutual respect and shared visions, should be a priority.
- Business continuity, including buy/sell/merge/alliance decisions must be made early on.
- Processes for maintaining and evolving family business values and goals.
- Preparation for retirement and succession, including encouraging, informing and training the next generation of family members.
- Responsibilities and privileges, recognition of different needs and distributions to non-working members.

Pictured on right from top: Andrew Raleigh Croll, founder of Croll Real Estate; Andrew Raleigh Croll driving a client to view a home for sale; Andrew Croll, Managing Director; Colin Croll, Principal; The original Croll Real Estate shop front.





BY GREG VINCENT

# Make your digital mark

Use social media to build trust with your digital footprint.

In a world where many customers generally view the real estate industry as untrustworthy and customers tend to have an unwarranted sales resistance, social media can provide agents with an extremely powerful, free and easy to start marketing platform where they can build trust, or destroy it, with online customers.

## Social media enables consultative selling

The consultative approach to selling has been popularised as a result of customers complaining about pushy salespeople using the 'hard sell'. In response to people no longer trusting these pushy salespeople, a new school of thought on selling came about where the salesperson took on the role of a 'consultant' rather than the traditional, slick salesperson.

The consultant is there to help the client, or customer, by looking out for the client's needs. This approach creates a level of trust within the relationship, resulting in the client being more likely to do what the consultant recommends because they are considered a trusted expert.

This is a win-win approach. The customer benefits from the consultant's expertise,

and the trust that develops provides dividends in the future, as customers are more likely to recommend the agent to their friends. Nowadays, because social media sites like Facebook, Twitter and Google+ allow people to be more connected with their friends, any recommendation has a much further reach.

“  
**Googling clients and checking their social networks is a great way to find connection points before you meet them personally.**”

It used to be said that through word of mouth, a happy customer would recommend a business to a handful of friends whereas an unhappy customer would complain about a poor customer service experience to about 20 people. Today, social media has made it very easy for your customers to tell the world about your service and expertise. They can recommend



you to all their friends on Facebook simply by posting a status update on their wall.

Your customers can even post reviews about you or your agency on Google via Google Reviews or Google Rich Snippets. Once a review or recommendation is posted on the web it remains there forever, unless the person who posts it decides to delete it.

So, a good recommendation can 'work for you' around the clock, 168 hours a week, but a bad review will also 'work against you' continuously. And even if you're not using social media in your marketing mix at present, your customers already are. You can either create your own digital footprint or you can leave it to your customers (remembering the unhappy ones tend to have the loudest voice) to build it for you.

## Your digital footprint

I can't stress enough how important your digital footprint can be to your success and the leads that you can generate. For example, I recently caught up

with a NSW agent who averages 10 market appraisals a week, each of which are automatically generated via a personal blog. Not only has this blog eliminated their need for cold calling, the agent uses the blog to share knowledge, increase their profile and build trust with clients before they even meet. The agent has embraced the consultative approach to selling but also taken it to the next level by harnessing the power of social media and the web.

Rather than waiting to meet clients in person, you can leverage the power of social media to connect with customers online and provide unlimited insight into what's happening around your marketplace and establish yourself as the trusted advisor.

You can easily share any information in any form of media on your blog, from written articles and images to podcasts and videos.

## Googling your name

It is often said, trying to win a listing is like going for a job



interview. So, it makes sense that a potential client could be doing their own behind-the-scenes check up on you before they even consider inviting you in for an appraisal.

“  
Even if you're not using social media in your marketing mix at present, your customers already are.”

You may not realise this, but just like employers do digital profile checks on applicants, your potential clients are Googling you and searching for you via social networking sites to check you out and see what comes up.

If your clients are checking you out online, shouldn't you check them out too? People are so time poor these days and the initial impression you make at the listing presentation is critical.

As part of preparing for your daily appointments, Googling clients and checking their social networks is a great way to find connection points with clients before you meet them personally. It shows that you are interested in them and you may find that you share some common interests.

Taking charge of your digital footprint is the best strategy any agent can have for building trust and presenting themselves as an expert to existing and potential clients. ♦

*Greg Vincent is a speaker, trainer and online strategist. To find out more, visit [www.gregvincent.com.au](http://www.gregvincent.com.au)*

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BY KIRSTY SPRAGGON

# Hard conversations made easy

Sometimes it seems easier to avoid them, but being open and honest during a difficult conversation can clear the air and build trust.

No matter how great a relationship is, at some stage you will hit a bump in the road.

When it comes to our personal life, we have these difficult conversations because we know they are necessary to maintain a healthy relationship.

However, when it comes to business relationships we can often shy away from having uncomfortable conversations with colleagues or clients. It can seem easier to simply spend less time with that person, to withdraw or avoid the situation altogether.

## Being the bearer of bad news

We've all had to tell a client bad news while negotiating a deal. Maybe the price is not what they were expecting and you know your client won't be pleased.

When you have to share what could be perceived as bad news with a client, an empathetic person can make the mistake of trying to soften the news or 'rescue' the client.

This doesn't help anyone and it's your job to assist your client to accept the situation as it is. They need the facts so they can make an educated decision.

One of the world's leading non-verbal communication experts, Michael Grinder, says one of the best ways to not be 'shot' as the messenger is to distance yourself from the bad news.



This can be done by having a third point, like a contract, to make reference to. This communicates non-verbally that the 'news' is not attached to you.

You can then help your client focus on the issue. This could also be used when discussing performance reviews with a staff member.

## Difficult client relationships

Honesty really is the best policy, so speak from your heart and clear the air. If something has gone wrong, talk about it.

When things go wrong, don't hide behind emails. The most important thing is to get face-to-face as soon as possible. You need to be able to sense each other's feelings about the situation, and it is very

difficult to empathise with an email and its tone can easily be misunderstood.

Most importantly, if something has gone wrong and it is your fault then you must accept responsibility. Sometimes all a client needs to hear is a sincere apology.

It can take practice to get good at communication and having difficult conversations. It takes a willingness to let go of anger — you need to accept you may not be right and be open to another person's perspective. ♦

*Kirsty Spraggon is a speaker and author with expertise in building relationships. For more information, visit [www.kirstyspraggon.com.au](http://www.kirstyspraggon.com.au)*

## TIPS TO CLEAR THE AIR

- Let go of judgement and be open to a varying point of view.
- Have empathy and try to put yourself in their shoes.
- Let go of your ego and be open to learning from the situation.
- Don't take feedback personally or as criticism — see it as an opportunity to grow.
- Come from a place where you are genuinely interested in their wellbeing.
- Stay calm.

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# Super mistakes can be costly

Don't risk losing thousands of dollars through mistakes in calculating superannuation contributions for your staff.



Superannuation forms an important part in small business administration including taxation and workplace relations. Legislation and rules can change frequently which can result in a number of errors commonly made by real estate practices.

Remember, even though you delegate to your team or outsource these tasks, as a Director or Principal you are personally liable for errors made in relation to Fair Work Australia, Australian Tax Office (ATO) audits and any complaints from staff. So it is important to have a good understanding of your superannuation payments and process.

The following is an outline of some of the most common mistakes made when it comes to superannuation contributions.

## Miscalculating the amount of super to deduct on bonuses and commissions

Where commission is paid inclusive of super, it is intuitively appealing to simply calculate nine per cent of the commission and pay that to super. However, the correct formula is to divide the commission payment by 109, pay nine parts to the super fund and 100 parts as income.

FOR EXAMPLE: A COMMISSION OF

**\$10,000**

IS DUE TO A MEMBER OF STAFF

**INCORRECT:**

$\$10,000 \times 9\% =$   
**\$900 TO SUPER,**

**\$9,100**

AS TAXABLE INCOME

**CORRECT:**

$\$10,000/109 \times 9 =$   
**\$826 TO SUPER,**

**\$9,174**

AS TAXABLE INCOME

### Ignoring the maximum contribution limit

Each year the ATO sets the maximum earnings base on which employers are required to pay the superannuation guarantee. This is a quarterly figure, meaning that any earnings an employee makes above the

maximum in that quarter do not incur any superannuation guarantee liability.

In 2011/12 the maximum earnings base is \$43,820 per quarter (i.e. \$175,280 pa, assessed quarterly).

If you make excess contributions over this threshold for high earning staff you cannot have that money returned.

### Paying on car allowances and lump sum entitlements

There are a number of exemptions when calculating 'Ordinary Times Earnings' (OTE) for superannuation purposes.

Those that most commonly apply in the real estate industry are:

- Car and phone
- Discretionary bonuses – not related to specific performance criteria
- Maternity leave
- Accrued annual leave, long service leave and sick leave paid as a lump sum on termination
- Payments in lieu of notice
- Income salary sacrificed to super

Make sure that both you and your payroll staff understand exactly what is covered in OTE by referring to the ATO ([www.ato.gov.au](http://www.ato.gov.au)) or by contacting the Real Estate Employers' Federation NSW ([www.reef.org.au](http://www.reef.org.au)).

“

**Even though you delegate to your team or outsource these tasks, as a Director or Principal you are personally liable for errors made.**”

### Late payments leading to loss of tax deduction

This is one of the most common mistakes. The deadlines for super require the funds to be banked by a complying superannuation fund within 28 days of the end of each financial quarter.

REI Super often receives millions of dollars in contributions on the 29th, 30th and 31st day after the end of the quarter. These payments are no longer tax deductible and potentially incur penalties.

Late payment is avoidable. If you are running close to the deadline, consider using an online payment method to ensure you meet your

obligations to the ATO on time. In addition, late payments can mean that staff members miss out on key taxation concessions for their superannuation contributions or they may face penalties for exceeding contribution thresholds. Your staff may hold you as the employer responsible for these issues.

If you have concerns about any of the above, discuss them with REI Super – your industry super fund – or visit [www.reisuper.com.au](http://www.reisuper.com.au) to find out more about the rules relating to superannuation. ♦

*For assistance with the modern real estate award and specific industrial relations matters contact REEF NSW. Visit [www.reef.org.au](http://www.reef.org.au)*

The information contained in this article does not constitute financial product advice nor is it intended as tax advice. However, to the extent that the information may be considered to be general financial product advice, REI Super warns that REI Super has not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Member should obtain and read the Product Disclosure Statement for REI Super before making any decisions. REI Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 REI Super ABN 76 641 658 449 RSE R1000412 February 2012.

## 2012 TABLE OF SG DEADLINES

1 July - 30 September 28 October

1 October - 31 December 28 January

1 January - 31 March 28 April

1 April - 30 June 28 July



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[Quote: Why risk it]



# Planning for the Australian dream

BY TINA LIPTAI

As our population continues to expand, what planning and housing models should be considered as a matter of urgency?

It may have evolved over time, but each generation has always strived to realise the 'Australian dream' of home ownership.

As Australia's population continues to expand, it is clear that questions about the future of our cities and how we will support this growth through planning and housing need to be answered.

With the State Government undertaking reviews of NSW's planning systems, strata legislation and calls for landowners to nominate greenfield sites for potential housing projects, it has never been a better time for the community to be involved in shaping the future of their city.

And more community involvement in making decisions about the future of planning and dwelling development is exactly what is needed, according to architect Philip Graus.

Director at Cox Richardson Architects and Planners, and co-author of *Home: Evolution of the Australian dream*, Philip says the only successful plan for the future will involve wide community consultation.

"I think that people do want to have their own house and some outdoor space or garden, but we've got to rethink how we plan our cities without telling people how to live," he said.

Philip said most successful plans for city developments get the community involved in discussing the choices available.

"I don't think you can predict now which way it will go or what the best choices are," he said.



"The government needs to be honest about what the issues are and consult the community thoroughly. We need to not be afraid to involve the community in these discussions, but we also need to be clear on what the options are. The government needs to have a leadership role and put in the time and effort to get it right."

**“**  
**We've got to rethink how we plan our cities without telling people how to live.**  
**”**

While increasing density of housing is a clear option, implementation will need to be done carefully.

"We are at a point where we will have difficulty increasing density in established areas," he said.

"High density housing is no good if jobs are an hour away, and if we spread housing beyond where there are jobs, travel time and congestion will get worse."

The future direction of dwellings will shape the future business of real estate agencies. And while it might seem like an 'easy fix', Philip doesn't believe high-density apartments will be the way of the future for housing.

"High density apartments are only viable when they are right near transport and/or you have beautiful views of water," he said.

"The most efficient type of housing is high density but low rise, so never more than three floors. They look high density, but are built like houses.

"Two-storey, well-designed town houses with no body corporate will become more and more common. People are still going to want terrace

houses with some private, open space and people still want a house and garden." ♦



Co-written by Philip Cox, founding partner of Cox Architecture, Bob Meyers, Director of

*Planning with Cox Architects and Planners, and Philip Graus, Home looks at the dwelling as the basic element of our cities, from the house to the apartment building. It traces the development of suburbia from Australian urban and swelling prototypes to the contemporary city and the choices we have before us.*

*The book concludes with a discussion of what planning and housing models should be considered as a matter of urgency by those responsible for planning our cities.*

For more information, visit [www.exislepublishing.com](http://www.exislepublishing.com)



BY SUSIE ELELMAN

# Be a media darling

It is war competing for positive media attention. Here is your battle plan.



It's easy to be daunted by the fast-paced nature of the media, but getting the positive coverage you desire is easy if you have the right approach.

## Understand the needs of each different medium

Television, radio and print media all have different deadlines and require a different set of skills.

Make sure you choose the right medium that best showcases your strengths and the calibre of your story. If you are not a confident public speaker, print media, rather than radio or television, might be the best way to present your story.

Print media will often need photos to run with an article, so a strong visual component to the story is vital for generating media interest. You'll need expressive words to paint a visual picture for radio, while television requires a confident, clear speaker and is reliant on images to help illustrate the story and give it colour and movement.

## Timing is everything

Most media have daily deadlines, but the timing of these will depend on when the show goes to air or the article to print. Generally, television news programs will have an earlier deadline than a daily newspaper. Make sure you find out the deadline of your chosen media outlet, remembering the story will need to be finalised by the journalist well before this.

As most journalists, presenters and producers are working to a number of regular deadlines, the timing of your initial contact is very important. If you contact the media for the first time an hour before your event or their program, it is unlikely they will give you coverage.

Similarly, if your event or potential story is six months away, it is unlikely the media will be interested that far in advance or be able to predict if they will cover the story later, so follow-ups are imperative closer to the event.

### Making contact

Like so many of us, people in the media are time poor and first impressions count. Story pitches and requests for coverage bombard people in the media every day, so to get the attention you want it is vital you find something that sets you apart from the rest. I call it the Gee-Whiz Factor.

Regardless of the type of media you approach, you need to have a strong news 'angle' for your story. This doesn't necessarily mean your story must be 'hard hitting' or controversial (though, that would help) but it must offer something unusual, different or unique to capture the attention of the audience.

As a general rule, making contact with your local media outlet, including community newspapers, television and

radio, is going to be much easier and probably more successful than if you contacted national media outlets.

The difference between legitimate publicity and free advertising is a very fine line. The mere fact you are conducting an auction is not news. However, if an auction you've conducted is likely to raise \$1million for a children's charity then you have a good angle. If there is something unusual about how you auction the items, or if the children or families who will benefit from the money raised are willing to talk to the media about the charity, then you have an even better angle.



**Make sure you choose the right medium that best showcases your strengths and the calibre of your story.**

### Pitching your story

One effective way to get media coverage is to find a local link to a national event or story that is making news. This might include changes to laws that will affect the real estate industry and impact the

general public, interest rate changes or the state of the property market in your area.

Make sure you are informed about the issue and, without misrepresenting yourself, offer yourself as an authority on subjects relating to real estate.

It's usually a good idea to email a media release to the point of contact. This should ideally be sent first and followed up with a phone call. Make sure you start your media release with a short, catchy headline and be sure to put the most interesting and newsworthy information at the start of the release.

This is crucial, as many people in the media will not read past the first paragraph of your media release if it doesn't immediately capture their attention.

Similarly, poor spelling, typos and bad grammar will often discourage people from reading your media release to the end. It's a good idea to have someone else proofread and correct your media release before you send it out.

Make sure it is clear how you can be contacted and be prepared to fit in with the media's schedule if they wish to organise interviews or photos.

### Keep in contact

The number of stories that can be featured in a newspaper or bulletin are limited, so don't be discouraged if your story can't be included.

## GETTING MEDIA ATTENTION

- Remember the Gee-Whiz Factor.
- Be topical, timely and present your news angle in a clear and concise way.
- Contact the right person for the right program or newspaper and spell their name correctly.
- Be aware of media deadlines.
- Write your media release or email using a catchy headline and put the most interesting and newsworthy information first.
- Make sure your contact details are clear and always be available.
- Don't be discouraged if your story is not used; keep in contact with your local media outlet.

You can increase your chances of being featured in local media by building a relationship with your media contact by regularly sending them new story ideas as they come up. ♦

*Susie Elelman is a multi-media expert, TV and radio broadcaster, producer, social commentator and best-selling author.*



Max Raine, Chairman of Raine & Horne (left), and his son Angus Raine, CEO of Raine & Horne.

## Words of wisdom

Still thriving after more than a century in business, Max Raine explains strong family values are still at the heart of the Raine & Horne success.

Today, Raine & Horne is one of the oldest privately owned firms in the southern hemisphere and through its 129 years has survived world wars, booms, busts and depressions.

Now into its fourth generation of family ownership after Angus Raine took over as the company's CEO in December 2006, the concept of the 'family' company is still as important today as it was when the business began. And it is

this difference that has strongly branded Raine & Horne in the market place.

Established in 1883 by Tom Raine and Joseph Horne, the family business operated from Wentworth Court, Elizabeth Street in Sydney. In those early days, a foundation of business practices and values were laid for the operation of Raine & Horne that have been maintained to the present day.

After passing the business to his son Max Raine, who still maintains an active role as Chairman, is confident that the lessons he learned from his own father will continue to be passed on to future generations.

Though a good business sense is vital to ensure the ongoing success of the company, it's strong personal values that Max Raine believes are the secret to having both a thriving family and business.

"The most valuable lesson I learned from my father is that your name means everything," he said.

"Trust and integrity are the most valuable things you have in business — without them you lose a lot of credence. This has been something we have believed since the beginning of Raine & Horne, passed from my grandfather, my father and now from me to Angus. Without that

you don't have much in the real estate industry."

And though there are bound to be bumps on the road, ensuring the longevity of the business is all about making sure the importance of family relationships is never forgotten.

"A lot of family businesses do fall into trouble, regardless of their size, and the actual family is one of the factors that contributes to that," Max said.

"Someone has to run the company and that can put other members of the family out. Competition within the family can be very damaging to both family relationships and the company; we value good family relationships above all else."

During his time at the helm of the company, Max was involved in the expansion of Raine & Horne across Australia and overseas.

The company became only the second property group to pursue a franchising business model.

“Trust and integrity are the most valuable things you have in business — without them you lose a lot of credence.”

This proved a major watershed moment for Raine & Horne, which opened its first franchised office, in Liverpool NSW in 1976.

As a result, Raine & Horne now has offices in the Australian Capital Territory, Queensland,

South Australia, Northern Territory, Tasmania, Victoria and Western Australia, as well as more than 40 offices overseas.

While the franchise model was a significant change for real estate business, Max has also seen many other changes including the introduction of legislation and regulation, which has helped to strengthen the industry.

"Training has grown in importance in the past 30 years or so, which is fairly recently in the industry and in terms of Raine & Horne as a business," he said.

"Good training is now a critical factor, not just for us as an organisation but for our franchisees too. And it's not just about training in sales, it's about knowing legislation and regulations that affect agents in all areas of real estate." ♦

## TIMELINE

- 1883:** Raine & Horne est. by Tom Raine and Joseph Horne.
- 1953:** E.R. Raine, Tom Raine's son, becomes Chairman.
- 1969:** Max Raine, E.R.'s son, becomes Chairman.
- 1976:** The company's first franchise office, Raine & Horne Liverpool, NSW opens.
- 1977:** Raine & Horne opens 14 offices in Malaysia.
- 1988:** Raine & Horne becomes one of only two franchise networks represented in every state and territory in Australia.
- 2006:** Angus Raine takes over as CEO.
- 2008:** Raine & Horne celebrates 125 years of operation in Australia.

# 2012 – Expand your thinking, change the hole to fit the peg!

*"In 2003 I began my career as a real estate business strategist. Back then, we planned our team structure then chose the lucky new recruit from a large pool. Fast forward 10 years and after coaching, training and consulting 1000's of agents here and abroad, and a degree in Human Resource Development, I've learned that to thrive we need flexibility and constant development of our recruitment and retention processes. It's no longer about finding a "recruiter", you need a "people" partner, a team of people who understand the industry, the candidates and business strategy. At RECD we call these "People Consultants".*

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# Pet's paradise is big business

BY TINA LIPTAI

Furry holidaymakers can be profitable with the right approach.

Often seen simply as extra members of the family by their owners, pets are regularly included in holiday plans and savvy agents can reap the rewards by accommodating four-legged friends.

While many agents recognise the growing trend of choosing to take pets on holiday, ensuring accommodation is suitable for animals can sometimes seem daunting.

Tea Gardens Real Estate have offered a range of pet-friendly accommodation options for more than a decade, after Principals Rick and Patricia Wraight recognised the potential of what was then a niche market.

"I was always told that to be a success in real estate we should embrace as many facets of the market as possible and this has certainly been important to a small country office like ours," Rick said.

"Many years ago we read in a newspaper that one in six families that owned pets wanted to take their pets on holiday, rather than leave them in kennels.

"This equated to 16.6 per cent of holidaymakers seeking accommodation that was pet-friendly and we could see the opportunity there."

“

**We saw that most of our competitors didn't provide this service, which left a window open for us.**”

Rick said budget-conscious families and older couples also found it cheaper to bring their pets on holiday.

## Commercial opportunity

"Many other holiday letting agents ask me what the incentives are for having pet-friendly accommodation, but for us it's simply meeting a need in the market," Rick said.

"We saw that most of our competitors didn't provide this service, which left a window open for us."

While families with pets made up the majority of guests during peak holiday periods, Rick said he also found a significant number of older pet owners used the accommodation outside of the school holiday rush, which increased revenue during non-peak seasons.

"We've also found pet owners tend to be very responsible and take extra care to ensure no damage is caused by their pets when staying in our properties," he said. ♦

## MINIMISING RISK

There are a number of ways to make your accommodation pet friendly.

- Only consider single storey homes as some pet owners are older and are unable to manage stairs.
- Ensure fences and gates are high and pet-escape proof.
- Hard-surfaced floors are best so choose polished timber, tiles or vinyl. Avoid carpet.
- Don't 'punish' pet owners with an additional cleaning cost, just include it in the standard tariff.

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BY NANCY RAINBIRD  
REALCOVER CLAIMS MANAGER



## A very risky business

Don't risk having a claim made against you by uninsured landlords.

A recent claim by an uninsured landlord against an agent to recover costs for repairs after a rental property was damaged highlights the importance of ensuring you and landlords you work with are insured.

In this case, the property was extensively damaged through both the illegal activities of the tenant and a subsequent police raid. Shortly after, the property manager received a letter from a solicitor acting for the landlord claiming more than \$20,000 in damages from the agent.

“  
While the need for regular property inspections can never be understated, agents should ensure that all landlords are insured.”

On attending the property immediately following the police raid, the landlord discovered broken wall tiles, doors that had been removed, black plastic tape lining the entire house, ceilings full of holes, the removal of the kitchen sink, shelves and benches, destroyed carpets and other damage.

If the owner held their own landlord's insurance their claim could have been covered under their policy, but as they were uninsured they sought

compensation from the agent. The landlord claimed that irregular inspections and negligence of the agent resulted in the tenant being able to cause the damage. Such compensation claims are generally covered under an agent's own professional indemnity insurance, which fortunately the agent had.

Realcover has received numerous claims where agents could have avoided being embroiled in these disputes if the landlord was insured.



While the need for regular property inspections can never be understated, agents should ensure that all landlords are insured to reduce the risk of claims being directed at them. Agents should inform all landlords of the benefits of protecting their investment through insurance.

Some of the common issues landlords might face which can be covered by insurance include accidental damage, loss of rental income, legal

liabilities when tenants misuse the property, damage to the structure of the building and contents, and much more. While it can't stop damage being done, landlord insurance brings peace of mind that the cost of repairs will be covered.

Your landlord's property is an important asset. Insurance is the best way to safeguard their future income from the property and protect the investment already made in the home or unit.

Landlord's insurance premiums are insignificant in comparison to the investment made in the property.

If a landlord refuses to take out insurance, agents should be aware that the risk is passed on and may result in a claim against them. ♦

*For more information about obtaining professional indemnity insurance, contact Realcover on 1800 988 396 or visit [www.realcover.com.au](http://www.realcover.com.au)*

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# Five tips to price your rent roll

When pricing your rent roll or agency there are a number of things you should consider.

The speed of the transaction and the ease with which a sale is concluded depends on the transparency and accuracy of the information made available. This is pertinent, particularly when the buyer is obtaining finance from the bank or lender.

Here are some tips to assist the seller:

1. Provide full information, both financial and operational. Supply historical information as to income and expenses of the business for the last three years.
2. The financial statements of the small to medium sized business rarely show their true earning capacity. The accounts need to be 'normalised' to adjust for any non-essential or owner-related expenses.
3. Buyers are purchasing a cash flow. What are the risks that could affect the cash flow position of the business? Is the business currently dependent on the Principal bringing in the majority of the income?
4. Benchmark the business. Look at the ratio of property managers and support staff to the properties managed. Is this consistent with industry standards? If it isn't, this could affect the price a buyer will pay.
5. Increasingly, the value of a rent roll depends on the intangibles — length of time the properties have been managed, the geographic spread of the properties, the ratio of owners to properties, the amount of sundry income and letting fees obtained. All these factors and others will affect the price and it is critical to speak to your broker to ensure you are pricing the business correctly. ♦

*Supplied by BDH Solutions.*

# Like to sell your rent roll?

Right now is the perfect time to sell. If you would like a confidential discussion about your rent roll call us today and together we can plan your selling strategy. We have a wide range of genuine buyers ready right now to negotiate confidentially and discreetly.

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Tel: **02 9037 1440** Mob: 0418 321 952  
rhedditch@bdhsolutions.com.au

Stephen Francis  
Tel: **02 4388 1999** Mob: 0418 223 933  
sfrancis@bdhsolutions.com.au

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**STEPHEN FRANCIS**

**ROSS HEDDITCH**



BY GARY NEWTON, PARTNER, AND FAITH LAUBE, CLERK,  
AT COLIN BIGGERS & PAISLEY

# Know your BEECs

What you need to know about Building Energy Efficiency Certificates.



Agents should consider the requirements for certification and disclosure which arise from the *Building Energy Efficiency Disclosure Act 2010* and Regulations, whenever they are engaged in the sale, lease or sublease of commercial offices with a net lettable area of 2000m<sup>2</sup> or more.

A landlord intending to lease, a tenant intending to sublease or an owner intending to sell these premises must give a Building Energy Efficiency Certificate in accordance with the legislation in any advertising material.

They must obtain and register a BEEC, which will include a NABERS energy rating, a tenancy lighting assessment and a generic energy efficiency guidance.

Certain buildings and certain transactions are excluded while others can apply for an exemption from the Act. The transitional provisions ended on 31 October 2011 and now compliance is necessary.

A building is excluded from having to comply with the provisions of the Act if any of the following conditions apply:

- The total office space comprises less than 75 per cent of the total space by net lettable area, or gross lettable area.
- The building is either new or subject to major refurbishment and a certificate of occupancy has either not been issued or was issued less than two years prior.
- The building is held under strata title.
- It is a short-term lease or sub-lease of less than 12 months (including any options).

The Act also provides for exemptions from the disclosure obligations, but unlike buildings falling within an exception category, building owners must seek exemption by applying to the Secretary of the Department of Climate Change and Energy Efficiency.

Building owners can apply in the following circumstances:

- When a building is used for policy or security operations.
- If a rating is not possible due to the characteristics of the building.
- When the building belongs to a class prescribed by the regulations.

Agents will be involved in the advertising and marketing and the required disclosure for these transactions. There are substantial penalties for non-compliance with these disclosure obligations.

For civil proceedings a court may impose a penalty of up to \$110,000 for the first day of a contravention and up to \$11,000 for each subsequent day.

For infringement notices, the initial penalty is \$11,000 and \$1100 for each subsequent day of the contravention. ♦

For BEECs information visit, [www.climatechange.gov.au](http://www.climatechange.gov.au)

## WHAT YOU NEED TO KNOW

- The transitional period ended on 31 October 2011 and now full Building Energy Efficiency Certificates (BEEC) are to be disclosed.
- A BEEC will be required whenever an agent is engaged on the sale, lease or sublease of commercial offices with a net lettable area of 2000m<sup>2</sup> or more and forms part of the advertising, negotiations and disclosures, which involves agents.
- The Act provides for some exceptions to the disclosure requirement as well as some grounds in which certain building owners can apply for an exemption.



BY ASHLEY BASSA, ASSOCIATE DIRECTOR OF STRATA MANAGEMENT FOR BEAUMONT STRATA MANAGEMENT

# Reducing the cost of strata living and working

Avoid rising strata and community scheme costs by introducing innovative money saving measures.

Owners corporations, both residential and non-residential, can mitigate many rising costs, and even potentially reduce them, by actively identifying problem areas and being prepared to implement innovative measures.

With the rising cost of electricity, increased insurance premiums, building materials, waste management and cleaning labour, inefficient stewardship could potentially lead to an increase in service costs, resulting in a fall in the value and capital growth of a building.

## Electricity

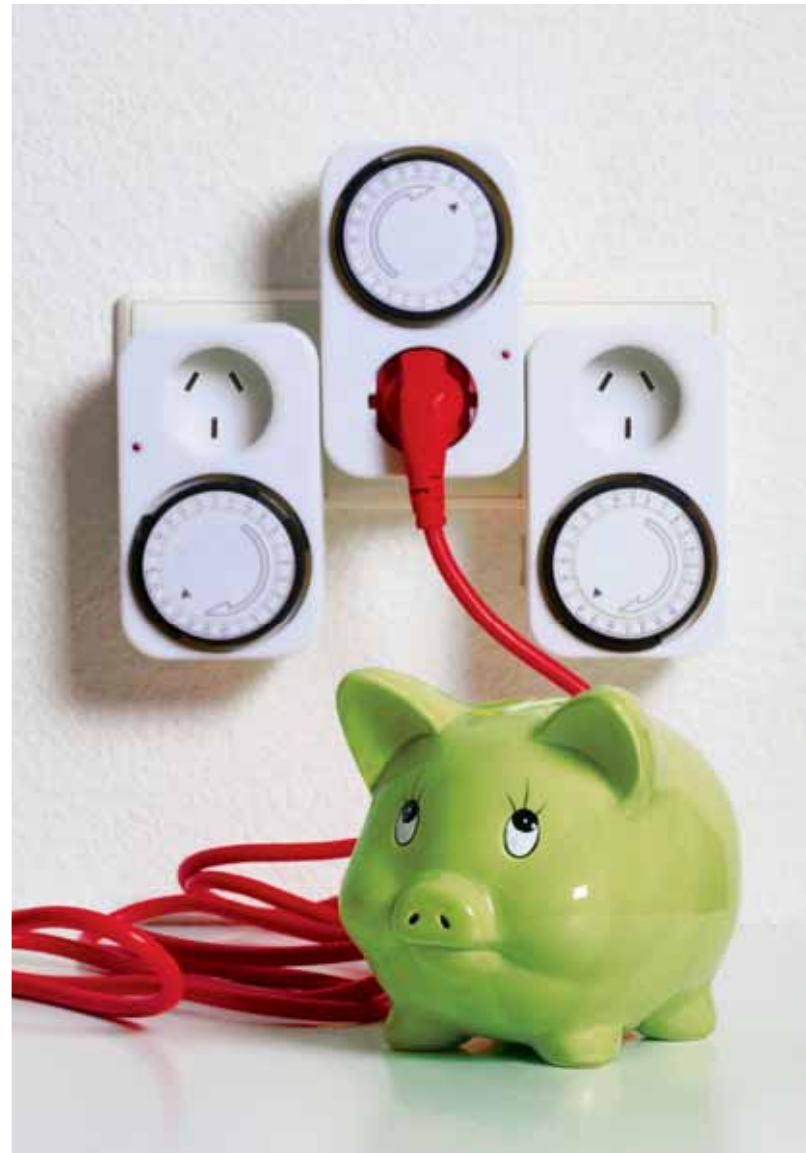
Power consumption can be reduced with the addition of lighting sensors to car parks, bathrooms and corridors. Similarly, owners with a cooling

tower servicing their office building also face significant increases on their energy bills.

Industry-savvy operators have been able to circumvent or reduce these costs by retrofitting energy efficient devices together with implementing an after hours user pays system. Smart meters, rebates and 'going to the open market' for reduced electricity rates have also proven productive. Measures like this could save owners as much as 30 per cent in their annual energy expenses.

Similarly, the industry should be at the forefront when it comes to benefiting from the forthcoming clean energy legislation.

Managers should be conversant with carbon credits, offsets



and rebates and how they can reduce the impact and even benefit from the legislation.

“While some strategies to reduce costs have an immediate upfront cost, a number can result in immediate cost savings.”

## Insurance

Another material cost is the insurance coverage that every strata and community scheme

must effect on an annual basis. Recent claims due to storms and floods in Victoria, and cyclone and floods in Queensland, have led a number of insurers to increase premiums by up to 20 per cent.

In some cases insurers have simply declined to offer terms on properties that were not deemed profitable or too high risk.

Being able to reduce or eliminate risk for the purpose of making a building more attractive to insurers, comes with technical skills and knowledge. Getting this wrong could mean the difference between owners paying (for example) \$70,000 or \$100,000 on a property with a building value over \$70 million.

In some situations, owners have found that insurers have refused to insure their property citing, among other things, hazardous structural material, high-risk usage or a high claims rate.

Managers need to be extremely careful when providing information to insurers. Getting this wrong could be the difference between a claim being accepted or owners having to dig into their own pockets.

A recent example of this involves a lift that broke down due to flooding. The insurance policy had coverage for machinery breakdown with a maximum of \$5000. The cost to repair amounted to \$35,000.

Consequently, the manager had to explain to owners why there was insufficient coverage, together with having to raise funds to account for the shortfall. The responsibilities that have been contracted out from the broker/underwriter to managing agents is enormous and one that may require industry comment.

### Meeting expectations

It's vital for the strata industry to improve their technical and professional services if they are going to deliver on owners' expectations. When they place their property under an

agency's management, owners expect service excellence.

However, many firms simply do not have the time or expertise and consequently owners may not be getting the service they think they are paying for. The recently harmonised Work Health and Safety legislation introduced on 1 January 2012 places a prescriptive obligation on the industry that requires the controlling authority to be proactive in ensuring that strata and community schemes comply with their obligations in providing a safe work place.

“  
Power consumption can be reduced with the addition of lighting sensors to car parks, bathrooms and corridors.”

The legislation emphasises due diligence and makes it clear that the controlling entity could be liable for breaches of safety without an incident or accident even occurring.

Leading agencies are setting new benchmarks by investing in their human resources, contractors and information technology. This enables them to deliver quality and reliable service. Combined with efficient policies and procedures, they are able to deliver to owners a return on their investment. This is a shift from the past where strata managers acted primarily as bookkeepers and secretaries and had little interest or inclination to provide proactive estate management.

There is no doubt that more and more lot owners are struggling to pay their levies given the wider economic pressures on the household or business budget. While some strategies to reduce costs have an immediate upfront cost, a number can result in immediate cost savings.

A savvy owners corporation (or their manager) should be able to take advantage of cost-saving measures and strategies. This may allow the owners corporation to reduce levies and/or enable them to save funds for major expenditure items that may crop up in the future. This is indeed an excellent opportunity to top up an under-funded sinking fund. ♦

“  
Be extremely careful providing information to insurers.”

## EASY WAYS TO CUT COSTS

- Reduce power consumption by installing lighting sensors to car parks, bathrooms and corridors.
- Be across clean energy legislation and understand how it may benefit the owners corporation through rebates or offsets.
- Make the building more attractive to insurers by having the technical skills and knowledge to reduce or eliminate risk.
- Ensure the building has sufficient insurance coverage to avoid the owners corporation being forced to raise funds to cover any shortfall.

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BY MATTHEW SHALHOUB,  
PRINCIPAL, UNDER THE HAMMER

# Auction anxiety

Whether you love them or fear them, there are steps you can take to give your auction the best chance of success.



As an auctioneer, I have worked alongside many real estate professionals and often see two separate agents with similar properties generate two completely different outcomes.

While it's important to plan a successful auction, sometimes it's what you avoid that will ensure the best outcome on the day.

Top performing agents get fantastic auction results year in and year out, despite what the market is doing. These agents ensure their continued success by avoiding the following common traps.

## Poor planning

A good agent has systems and procedures in place for their buyer and vendor meetings, marketing, targets and strategy implementation. And always remember that simply having an auction doesn't mean an automatic sale.

## Failure to understand the vendors

It is important to understand a vendor's motivations and have insight into any changes in their circumstances. Ask the right questions, but do not interrogate.

## Poor communication

Agents need to ensure that they are effective

communicators in letters and reports, buyer and vendor meetings, follow-up calls and open inspections.

## Targeting the wrong market

Look at which buyers would be best suited for the home and would ultimately see the most value in it. These are the people that will pay the most.

## Failure to create awareness

Often agents tend to favour one main source of advertising for property. However, it is essential to cover all mediums including paper/press advertising,

internet sites, local area, database marketing and social networking sites.

## Ineffective or no strategy on the day

Agents who leave it all to the auctioneer or expect that the lead-up marketing campaign will sell the property on the day often walk away disappointed.

## Not fully understanding the auction system

This is a common issue that ultimately affects the outcome of an auction campaign. It is worth investing time and money to refresh your skills with a training session on the auction system. ♦

# Will an EBU work for you?

BY TINA LIPTAI

A team-based approach to selling can be risky to start with, but with the right team the rewards can be substantial.

Used in the real estate industry for more than a decade, Effective Business Units (EBUs) are a team-based approach to working where each person's role is specifically tailored to their professional strengths.

Director at Richardson & Wrench Elizabeth Bay/Potts Point Greg McKinley has been part of a successful EBU for about nine years but said without the right preparation it was easy to run into trouble quickly.

"It's an enormous leap of faith, but for the right people it pays off," he said.

"One of the big inhibitors for people entering into an EBU is that if it fails, it fails quickly. You have to be able to function effectively as a one-person unit before taking on more people and it is a big responsibility because you have two other people who are going to suffer if it doesn't work."

Greg said EBUs were not just useful for agencies specifically dealing with high-end property, but you must have strong faith in your own ability and the ability of your team to make an EBU work.

He said one of the most attractive aspects of the business model is that it allows each member of the team to work only to their strengths.

An EBU is structured to increase efficiency and allow business to flourish without compromising quality.

The small size of the team, typically only three people, is both a strength and potential challenge of the model as it encourages easy communication



across a close-knit unit, but unless every member of the team makes a significant and meaningful contribution, the whole unit will fail.

"If you haven't got something to sell, buyers can't be found and therefore no administration needs to be done," Greg said.

**“It is a big responsibility because you have two other people who are going to suffer if it doesn't work.”**

"One of the big issues is that you have to have a constant supply of properties to sell — you need to be bringing in business all the time."

An EBU draws only on the skills required to make the sale, and each person's role is so specific so that there is no duplication of activities.

"You have to get a great leader in an EBU and a person who is a very strong communicator and someone who is great at administration," Greg said.

As each member of the team is solely focused on working to their strengths, eliminating the need to perform tasks they find challenging, an EBU can contribute to an enhanced feeling of job satisfaction for members.

"In the team, people's paths never cross in terms of their workload because everyone is responsible for something very specific, so no one doubles up," Greg said.

Two EBUs operate in his office and Greg said each team worked in a slightly different way. The ability to adapt the

system to the needs of individual teams was one of the strengths of the system.

"It's not dissimilar to running your own office — it enables individual agents to have that kind of leadership," he said. ♦

## MAKE AN EBU WORK FOR YOU

- Having the right leader is crucial to a successful EBU.
- Make sure everyone has very clear and specific job roles.
- Everyone in the team must be committed to success because job roles are so specific — if one person isn't delivering then the whole team suffers.
- Take the time to find the right people for your team.

APRIL 2012

MON	TUE	WED	THU	FRI	SAT	SUN
2	3	4	5	6	7	8
<b>SYDNEY</b> Certificate of Registration Course (part time) commences (9.00am-5.00pm)		<b>SYDNEY CPD</b> Strata management short course (9.30am-1.30pm)		GOOD FRIDAY PUBLIC HOLIDAY	PUBLIC HOLIDAY	PUBLIC HOLIDAY
<b>SYDNEY CPD</b> Business agents short course (9.30am-1.30pm)	<b>TAREE CPD</b> Maximise your new management success rate (9.00am-1.00pm)					
9	10	11	12	13	14	15
PUBLIC HOLIDAY		<b>SYDNEY</b> Certificate of Registration Course (part time) concludes (9.00am-5.00pm)		<b>SYDNEY CPD</b> The nuts and bolts of the Residential Tenancies Act (9.30am-1.30pm)		
		<b>SYDNEY CPD</b> The ABC of Compliance (9.30am-1.30pm)	<b>GRIFFITH CPD</b> Country Forum (9.00am-1.00pm)			
16	17	18	19	20	21	22
<b>SYDNEY</b> Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)						
<b>CANBERRA CPD</b> Growing your rent roll (9.00am-1.00pm)	<b>SYDNEY</b> Buyers' Agents Forum (3.00pm-5.00pm)	<b>SYDNEY</b> Business Agents Forum (3.00pm-5.00pm)	<b>SYDNEY CPD</b> Prepare for selling like never before (9.30am-1.30pm)			
<b>SYDNEY CPD</b> Property management for experienced property managers (9.30am-1.30pm)	<b>BATHURST CPD</b> The ABC of Compliance (9.00am-1.00pm)	<b>ORANGE CPD</b> The ABC of Compliance (9.00am-1.00pm)	<b>DUBBO CPD</b> The ABC of Compliance (9.00am-1.00pm)			
		<b>SYDNEY CPD</b> Commercial training for experienced agents (9.30am-1.30pm)				
23	24	25	26	27	28	29
<b>SYDNEY CPD</b> Work, health and safety for property managers (9.30am-1.30pm)		ANZAC DAY PUBLIC HOLIDAY				
30	<div style="display: flex; align-items: center; justify-content: space-between;"> <div style="text-align: center;">  </div> <div> <ul style="list-style-type: none"> <li><span style="color: red;">■</span> CPD workshops – go to <a href="http://www.reinsw.com.au">www.reinsw.com.au</a> for course descriptions and prices</li> <li><span style="color: blue;">■</span> Certificate of Registration Course (Real Estate) (full and part time as indicated). Price includes REINSW Student Membership</li> <li><span style="color: green;">■</span> Licensing Course</li> <li><span style="color: yellow;">■</span> Forums and Divisional meetings</li> </ul> </div> </div>					



# MAY 2012

MON	TUE	WED	THU	FRI	SAT	SUN
30	1	2	3	4	5	6
<b>SYDNEY</b> Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)				<b>SYDNEY CPD</b> Maximise your new management success rate (9.30am-1.30pm)	<b>SYDNEY</b> Certificate of Registration Course (part time) continues (9.00am-5.00pm)	
		<b>SYDNEY</b> Real Estate Licensing Course commences – 3 days per week for 8 weeks (9.30am-4.30pm)				
		<b>SYDNEY</b> Breakfast Club (7.30am-9.30am)				
7	8	9	10	11	12	13
<b>SYDNEY CPD</b> Auctioneers short course (9.30am-1.30pm)	<b>CANBERRA CPD</b> Marketing strategies to fast track growth and increase sales (9.00am-1.00pm)	<b>SYDNEY</b> Real Estate Licensing Course continues – 3 days per week for 8 weeks (9.30am- 4.30pm)			<b>SYDNEY</b> Certificate of Registration Course (part time) continues (9.00am-5.00pm)	
		<b>SYDNEY</b> Commercial Forum (3.00pm-5.00pm)	<b>SYDNEY CPD</b> The ABC of Compliance (9.30am-1.30pm)			
14	15	16	17	18	19	20
<b>SYDNEY</b> Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)				<b>SYDNEY</b> Certificate of Registration Course (part time) continues (9.00am-5.00pm)		
	<b>SYDNEY CPD</b> Prepare for selling like never before (9.30am-1.30pm)	<b>SYDNEY</b> Real Estate Licensing Course continues – 3 days per week for 8 weeks (9.30am- 4.30pm)				
	<b>PORT MACQUARIE CPD</b> The ABC of Compliance (9.00am-1.00pm)	<b>TAMWORTH CPD</b> The ABC of Compliance (9.00am-1.00pm)	<b>ARMIDALE CPD</b> The ABC of Compliance (9.00am-1.00pm)			
21	22	23	24	25	26	27
<b>CANBERRA</b> REIACT Certificate of Registration Course (full time) – 5 days (9.00am-5.00pm)					<b>SYDNEY</b> Certificate of Registration Course (part time) concludes (9.00am-5.00pm)	
<b>SYDNEY CPD</b> The nuts and bolts of the Residential Tenancies Act (9.30am-1.30pm)	<b>SYDNEY</b> Valuers Forum (3.00pm-5.00pm)	<b>SYDNEY</b> Real Estate Licensing Course continues – 3 days per week for 8 weeks (9.30am – 4.30pm)				
			<b>COFFS HARBOUR CPD</b> Prepare for selling like never before (9.00am-1.00pm)	<b>CANBERRA CPD</b> Property management fundamentals (9.00am-4.00pm)		
28	29	30	31	JUNE 1	<b>WANT TO KNOW MORE?</b> You can find out more about all of our courses by visiting <a href="http://www.reinsw.com.au">www.reinsw.com.au</a> Click on Course Schedule in the Training menu.	
<b>SYDNEY</b> Certificate of Registration Course (full time) – 4 days (9.00am-5.00pm)						
	<b>SYDNEY</b> Young Agents Breakfast (7.30am-9.30am)	<b>SYDNEY</b> Real Estate Licensing Course continues – 3 days per week for 8 weeks (9.30am – 4.30pm)				
	<b>REGIONAL CPD</b> Holiday and short-term rentals short course (9.00am-1.00pm)	<b>ALBURY CPD</b> Country Forum (9.00am-1.00pm)		<b>SYDNEY CPD</b> Prepare for selling like never before (9.30am-1.30pm)		

## MEMBER PROFILE: MICHAEL BALL



"It's great for the staff to know they are members of REINSW and that the support of the organisation is there if they ever need it."

Previous experience of the benefits of REINSW membership meant Michael Ball knew joining as an independent agency would be a good move.

In 2007 Michael Ball realised his dream of starting his own real estate agency when the doors opened to his first office in Penrith.

As his business has grown Michael said being a member of REINSW was important to be able to give his staff of 10 the support they need through the range of quality resources and training offered.

"It's great for the staff to know they are members of REINSW and that the support of the organisation is there if they ever need it," he said.

Years before he started his own business, Michael was a member of REINSW when he worked in a franchise

agency. He said he was glad that he had now rejoined REINSW as an independent agency.

"I just thought it was time to join," he said. "Our office prides itself on being unique and places a high value on our integrity, professionalism and the delivery of exceptional customer service."

"It's great to have that little bit of extra recognition from being part of an organisation that people in the public are aware of and who know represents professionalism and quality."

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

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"OUR MISSION IS ONE OF INTEGRITY, ACCURACY AND EXCEPTIONAL SERVICE IN MOVING TOWARDS BECOMING THE PREMIER DATABASE IN AUSTRALIA"  
Gill Wilkins, Managing Director

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- TRA supplies documents to give prospective owners to assist in the acquisition of new managements.
- TRA assists in the legal protection of the property managers and principals against litigation from Owners and tenants.
- TRA supplies Certificates of proof in the event of insurance or legal claims.
- TRA has a debt collection service for all areas within real estate.
- TRA provides a legally safe environment for clients.
- TRA is used by all industries i.e. Banks, Utility, Insurance, Finance Companies, Institutions and large accounting firms etc.
- TRA can audit trail all searches in the event of misuse and trace back to the computer used, therefore protecting both principals and property managers.
- TRA has a 60 page document on every aspect of our business showing compliance to the new privacy principles, completed by our barrister and solicitors.
- TRA abides by "Property, Stock and Business Agents Amendments (Tenant Databases) Regulation 2004".

# More data than ever before

Get even more up-to-date information from propertyDATA.com.au

Since the launch of propertyDATA.com.au in 2010, the business has been committed to providing agents in NSW with a quality, cost effective data alternative.

propertyDATA.com.au has listened to feedback from REINSW members to improve the offering and over the past year the business has achieved significant milestones.

## Sales results

We have spent considerable effort on expanding our collection of data from agents. As a result, 80 per cent of all auction results are collected

by Saturday evening and made available within the propertyDATA.com.au system. We have also tripled the number of private sales results collected each week.

## Improved data

propertyDATA.com.au has appended more than four million historical and recent sales results with more attributes. This was done in addition to cleansing activities already undertaken and aims to ensure propertyDATA.com.au not only provides the most current and up-to-date information but also delivers one of the best attribute sets on the market.

Some of the most significant attribute updates to the records include:

- Better addressing and property type information
- Bedrooms and bathrooms
- Land area
- Car spaces

In addition, propertyDATA.com.au is also pleased to announce that ownership information is now available within the interface to aid agents with prospecting.

## New interface

In addition to the investment made in improving the quality

of data, propertyDATA.com.au is also set to release a new interface in early April. The new interface will not only provide agents with access to existing functionality like customisable CMA reports, it will also provide agents with new tools to win more listings. Best of all, all the existing and new features will be packaged into an easy to use, intuitive interface.

*If you want to find out more about how propertyDATA.com.au can help your agency win more listings contact us on 1300 695 645 or email sales@propertyDATA.com.au*

# FROM OHS TO WHS

## What the new Work Health and Safety laws mean for you

New national harmonised Work Health and Safety (WHS) laws commenced in NSW on 1 January 2012.

The new laws introduce significant new obligations for businesses and individuals. A working knowledge and understanding of the new WHS laws is a must for every agent. You need to ensure that you are not only familiar with the legislation, but are also taking measures to achieve compliance to avoid heavy penalties.

Find out what you need to know at one of these must attend sessions:

**WEBINAR – From OHS to WHS**  
Friday, 16 March 2012  
10.00am to 11.00am  
\$65 (GST inc)

**CPD SHORT COURSE –  
WHS for property managers**  
Monday, 26 March 2012 – Sydney  
9.30am to 1.30pm  
REINSW members \$199  
Non-members \$245 (GST inc)

**CPD SHORT COURSE –  
WHS for Principals**  
Friday, 30 March 2012 – Sydney  
9.30am to 1.30pm  
REINSW members \$199  
Non-members \$245 (GST inc)

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

#### Residential vacancy rate — compiled by Inshgtrix on behalf of REINSW

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

#### 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
05/02	187	\$54.01	50%	20	62	11	94
29/01	377	\$110.31	59%	35	105	84	153
18/12	681	\$203.14	56%	72	278	28	303
11/12	799	\$248.02	51%	110	284	12	393
04/12	657	\$234.29	55%	104	243	13	297
27/11	779	\$280.80	56%	122	299	16	342
20/11	632	\$231.00	58%	102	243	21	266
13/11	686	\$285.75	59%	122	265	15	284
06/11	605	\$238.70	59%	102	235	20	248
30/10	729	\$274.89	56%	119	279	11	320
23/10	518	\$197.40	57%	72	211	14	221
16/10	546	\$202.86	58%	88	215	14	229

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# Agents help out with a big issue

An 'easy few hours' selling copies of *The Big Issue* turned into something much more for Peter Matthews.



Peter Matthews (third from right) with vendors and other agents involved in the challenge.

Ray White property auctioneers and agents from across Australia joined forces last month to help *The Big Issue* magazine celebrate its 400th edition.

Established 15 years ago, *The Big Issue* is a fortnightly magazine which is sold by people experiencing homelessness, mental illness, disability and long-term unemployment.

A total of 30 Ray White real estate auctioneers and agents teamed up with Big Issue vendors in a challenge to sell 400 copies of the magazine with all proceeds to go to vendors.

In a stellar effort by all involved, more than 800 copies were sold across Australia, with Sydney agents selling 160 magazines.

Ray White Lower North Shore auctioneer Peter Matthews went up against four other Sydney Ray White agents in the challenge. And while he was happy to help out, Peter was not prepared for how much the experience would affect his outlook.

Peter was teamed up with a vendor in Pitt Street Mall who shared his story about homelessness, family turmoil and living with a disability.

"I knew it was homeless people who sold the magazine, but I really didn't know much more about it," Peter said.

"The vendors are out there seven days a week and they are not sales people, they are just trying to make some money to get by. They are really working hard for what they get."

Peter managed to sell 44 magazines in 40 minutes, but what struck him most about the experience was how confronting it was to have people walk past him and not even acknowledge he was there. Being ignored is not something Peter is used to, but it's a reality vendors face each day.

"It just made me realise what a difficult job it is for them," Peter said.

"So many people just walked past. I tried to look them in the eye but I was just being ignored by a lot of people.

"What is amazing for me is I worked in the city on and off for eight years or so, and I had been one of those people who just walk past because I thought I was too busy and didn't want to know about it.

"But now that I understand more about *The Big Issue* I will always stop and buy a magazine. It really has had a profound affect on me."

*The Big Issue* CEO Steven Persson said the co-ordinated sales effort on city streets would help raise awareness of the fortnightly magazine.

"The magazine provides some of Australia's most disadvantaged people with the opportunity to earn an income — it empowers them by giving them a hand up, not a hand out," Steven said. ♦

## YOUR STORY

We want to hear your stories!

If you have a humorous or interesting story you'd like to share with REINSW members in 'Last Word', email the editor at [tina@mahlabmedia.com.au](mailto:tina@mahlabmedia.com.au)

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### Journal

Managing Editor: Roslyn Atkinson  
Editor: Tina Liptai  
(02) 9556 9115  
Email: [tina@mahlabmedia.com.au](mailto:tina@mahlabmedia.com.au)  
Designer: Nina Christian  
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Advertising: Mark Lewis  
0414 881 300  
Email: [mark@mahlabmedia.com.au](mailto:mark@mahlabmedia.com.au)  
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REINSW Managing Editor:  
Cathie Dickinson (02) 9264 2343  
Email: [cdickinson@reinsw.com.au](mailto:cdickinson@reinsw.com.au)

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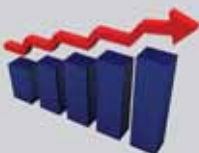
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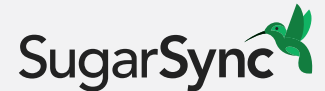
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