

Journal

OCT 2014
VOL 65/10

Stellar SUCCESS

WHAT IT TAKES TO GET TO THE
TOP OF YOUR PROFESSION



Commercial agents
REINSW successfully
lobbies against de-licensing

Playing dirty
What to do when the
competition plays tough

100+ Conference
The hot topics that came
out of the conference

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Meet Kylie Walsh, Leah Jay and Tracey Dixon – three successful women who have made it to the top.



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The *Real Estate Journal* is printed on paper that is derived from resources which are managed to ensure their renewability for generations to come.



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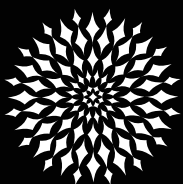
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Dealing with escalated responsibilities

Over recent years we have seen an escalation of the responsibilities associated with the role of the real estate professional. In particular, the duties of agents working in property management have extended significantly and now include areas outside of the core function of managing the relationship between the landlord and tenant.

Property managers are now expected to hold competencies and express opinions regarding the integrity and mechanical worthiness of a broad range of areas including glass, asbestos, window safety locks, smoke alarms, decks and balconies, and swimming pools – and this is not even an exhaustive list!

This extension of duties and responsibilities is a growing concern for REINSW and we believe that it is time to address this issue, before a major incident occurs that adversely affects consumers and the profession.

Lobbying for change

It is important to recognise that, in general, property managers do not possess any specific building skills or the like that enable them to form an opinion that could, or should, be relied upon by interested parties in relation to the areas set out above.

Under the current framework, this expectation of knowledge places the tenant at risk of injury or loss, and the property manager is in the unenviable position of accepting responsibility for that injury or loss.

In May of this year, I wrote to NSW Minister for Fair Trading Matthew Mason-Cox to voice our concerns on this issue. I have also raised concerns with the NSW Fair Trading Commissioner Rod Stowe.

Tenancy managers

Moving forward, we must reconsider the role and functions of the property manager. It has been suggested that the proper functions of the property manager, as the role is currently termed, might be better described as a tenancy manager.

A tenancy manager, as that name would suggest, is tasked with managing the relationship between the landlord and tenant, and that relationship only. When it is prudent or appropriate for an opinion to be acquired in relation to a specific item associated with the property, then that opinion should be sought from a suitably qualified provider of the relevant service.

While a change in name may only seem minor, it would commence the process of redefining agents' duties in this area of practice.

Property managers – or rather, tenancy managers – provide a high-quality service within their specific area of competency. When it becomes necessary to provide solutions for issues outside of these specific competencies, then it is appropriate that professional people with specific skills respond on these occasions. To ask the agent to undertake those functions is, quite simply, dangerous to all.



Tim McKibbin
REINSW CEO

AGM

NOTICE IS HEREBY GIVEN

That the Annual General Meeting of the Real Estate Institute of New South Wales Limited for the year ended 30 June 2014 will be held on Thursday, 27 November 2014 at Rydges World Square, 389 Pitt Street, Sydney.



T. P. McKibbin

Company Secretary
Real Estate Institute of
New South Wales Limited

AGENDA

- Apologies.
- To receive and adopt the minutes of the Annual General Meeting of 29 November 2013 (see note).
- To receive and consider the Report of the President (see note).
- To receive and consider the financial reports including the audited balance sheet, profit and loss accounts and other reports and statements required by the *Corporations Act 2001* including the Auditor's Report for the year ended 30 June 2014. (see note)
- General Business.

Note

The minutes of the Annual General Meeting of 29 November 2013, Report of the President, audited balance sheet, profit and loss accounts along with other reports and statements required by the *Corporations Act 2001* (including the Auditors Report) will be available on the member-only section of the Institute's website at www.reinsw.com.au by Friday, 31 October 2014. If you require a hard copy of these documents, please telephone Eliza Lagalago on (02) 8267 0507.

Proxies

In accordance with the Company's Constitution, a Voting Member may nominate another Voting Member as a proxy. A person may not hold more than five (5) proxies. Proxies will only be valid if received by the Company Secretary no later than 5.00pm, Tuesday, 25 November 2014. Proxy voting forms are available from the Institute. Please telephone Eliza Lagalago on (02) 8267 0507.



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password to log in.



News in brief

PROPERTY VALUES 101

Buyers' agent and co-host of *Location, Location, Location Australia*, Veronica Morgan says the biggest misconception around property values in Sydney is that properties within a suburb increase in value at the same rate.

Agents must ensure they understand appraisal techniques and not rely solely on third-party price recommendations.

Ms Morgan's top property valuation tips include knowing your market inside out, speaking to other local sales agents about the particular property and always interpret statistics through your own market knowledge.

PLANNING POLICY CHANGES BROADEN PROPERTY CHOICES

According to REINSW, changes to NSW Government planning policy to allow smaller lot development and a variety of medium density housing choices are a move in the right direction.

Amendments to the State Environmental Planning Policy (Sydney Region Growth Centre) 2006 (Growth Centres SEPP) increase housing options and improve housing affordability.

APARTMENT NUMBERS ON THE RISE

The *Inner Sydney Apartment 2014-2021* report was recently released showing an exponential increase in apartment construction for Sydney.

According to industry analysis group BIS Shrapnel, new apartment completions in Inner Sydney will peak in 2017.

Approximately 5800 apartments are currently under construction and 11,500 will be finished over the coming three years.

Burden of stamp duty barometer

A new publication, *Stamp Duty Watch*, has been released by the Housing Industry Association (HIA) to act as a barometer of stamp duty across Australia.

Stamp duty sets home buyers back at least \$15,000 across Australia with Victoria topping the states with an average \$24,100 hit.

According to HIA Senior Economist Shane Garrett, the stamp duty burden is an onerous one. "In states like New South Wales and Western Australia, the average homeowner can look forward to handing almost \$20,000 over to the state government before the removal trucks even arrive," he said.

REINSW has always been and continues to be vocal about the disproportionate burden stamp duty puts on owners.

"REINSW opposes all state taxes including stamp duty. They are narrow-based and discriminatory. They also influence decisions that no tax should," REINSW CEO Tim McKibbin said. "We have advocated for a sensible debate asking the government to consider the GST as a replacement for the revenue hole created by an abolition of all state taxes."

The *Stamp Duty Watch* report's findings show that stamp duty is a policy ready for reform.

THE HUB

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Spotlight on: Coffs Harbour



Median weekly rent: \$350

Median house price: \$400,000

Median unit price: \$275,000

Source: REINSW Property Profile – June 2014

MARK WEBB

PRINCIPAL OF THE EDGE COFFS HARBOUR

It's been a flat market for a number of years, but it's a lot better at this point in the market. A number of homebuyers are purchasing and a lot more investors are entering the market. Average sales time is down to eight to 12 weeks.

While investors are still interested in the cheaper end of the market, the upper end is starting to recover considerably, with the next six to 18 months looking at a significant increase in price. Stock levels are being replenished, but they tend not to be as large as they have been before.

MELINDA ALLAMBY

DIRECTOR OF MSL PROPERTY AGENCY COFFS HARBOUR & SYDNEY

With the market going up, prices have shown a slow increase. We're dealing a lot with investors at the moment looking for older homes with three bedrooms, open-plan living, a backyard and garage. Individual investors also like unit complexes. Two bedroom villas are doing well with first-time buyers.

Coffs Harbour has plenty of buyers but it's short on listings. That's about to change. Once the weather warms up and tourism picks up, a lot of people decide to sell. I'm predicting a very busy six months.

TOP TIPS OF THE MONTH

Top apps to share with your clients

When it comes to mobile and tablet applications, what are the top apps to ensure your clients are ready to buy or sell their home?

1.

Houzz

Make sure your clients are ready for an inspection with Houzz, the home decorating and design ideas app. The app supplies more than 300,000 original photographs from professionals in the design industry and provides information about local suppliers. It also makes it easier for buyers to envisage how they will place their own footprint on a new home.

2.

Magic Plan

Your clients can create floor plans as they inspect properties. Just by using the camera and capturing the corners of a room, Magic Plan generates a floor plan, including accurate measurements for each room.

3.

Around Me

Around Me allows your clients to quickly find out information about their surroundings. Using their device's GPS, Around Me shows where the local bank is, what restaurants are in the areas as well as nearby hospitals, supermarkets and petrol stations.

Checklist: getting to know your area

BY **GRAHAM BERMAN**, LICENSED AGENT AT BELLE PROPERTY DOUBLE BAY

As the bare minimum, door knocking helps you learn about and understand residents' issues and concerns. These concerns, regardless of their nature or size, can be extremely useful in future marketing campaigns. On a recent 'tour of duty', as I sometimes like to refer to it, a resident in a particular street was extremely forthcoming with the issues pertaining to the grade of soil underfoot, and the problem and associated cost this raised if someone were to excavate and pier to rock.

It's the perfect opportunity to sell yourself and make a real impression.

DO

- Go in with a blank canvas approach. Every house and every street has potential. Don't only focus on the glamorous houses.
- Understand the demographics and geographics. Understand the orientation of houses in relation to the sun and the proximity to shops, schools, parks, and public transport. Know your potential client base. Are they elderly, looking to downsize or are they young, affluent, cashed up and looking to upsize?
- Look presentable. This may be the first and only time potential clients get to meet you, so remember that first impressions are crucial.
- Respect their privacy and remember not to encroach on the resident's personal space. Knock on the front door, take one or two

steps backwards and turn slightly at an angle appearing not to block the entrance in or out.

- Be personable and listen. While this is all about introducing yourself, it's also an ideal opportunity to listen to and obtain information.

DON'T

- Door knock at inconvenient times, such as around dinnertime or first thing in the morning when families may be rushing off. I have always found the most effective time to door knock is between 5–6pm. It's a great opportunity to speak to people at the end of the day.
- Don't leave the gate open, even if it was open on the way in. Again, a simple show of respect.
- Don't be over confident. There's a fine line between confidence and arrogance.

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LEARNING FROM THE INDUSTRY'S BEST

REINSW President Malcolm Gunning shares his highlights from the 100+ Conference.



Malcolm Gunning, REINSW President says it was clear that a whole-of-industry event was needed.

What a conference! Here at REINSW, our goal for the 100+ Conference was to switch on to the future of our industry. Our goal for real estate professionals was to give you the tools to switch on to your future.

The 100+ Conference certainly delivered that. Attendees clearly

demonstrated a commitment and enthusiasm to learn, and to expand and grow both personally and professionally.

REINSW has a proud reputation for shaping and developing our industry for more than 100 years. But is that enough?

With the rapid change within our industry, from both internal and external factors, it became apparent that a whole industry event was needed.

Thus the 100+ Conference was born, bringing together more than 100 years of learning and looking forward to what the future holds.

The program

We developed a program to provide attendees with practical, ready-to-use tools and strategies that they could take back and apply in their agencies right away.

We also created an environment to socialise, network and explore emerging trends in our industry.

We provided an environment where real estate professionals could cross-learn about all parts of our industry. For example, a residential sales

person could sit in a commercial session or a valuation session to understand what is happening in those sectors. A residential property manager could attend a strata management session and learn about how to build better relationships with their colleagues.

Then there were broader sessions about digital marketing, social media and becoming the best real estate professional you can be.



We developed a program to provide attendees with practical, ready-to-use tools and strategies that they could take back and apply in their agencies right away.

Looking forward

We asked delegates to tell us what they thought, particularly in regards to the Conference, the venue and their learning outcomes.

We'll take this feedback on board so we can continue to create the best industry event in NSW. Our commitment is to continue to evolve the 100+ Conference and deliver a high standard of relevant information and learning opportunities to every one of our members, year after year. ♦



KEY LESSONS

SIMON HAMMOND

Treat business seriously, but don't take yourself too seriously in business. Take out the regimented feel. Customers like to see your personality; they like to see your individuality.

DYNAMIC SALES DUOS

Partnerships are all about give and take. Don't be afraid of incentives and treat your assistants with the respect they deserve.

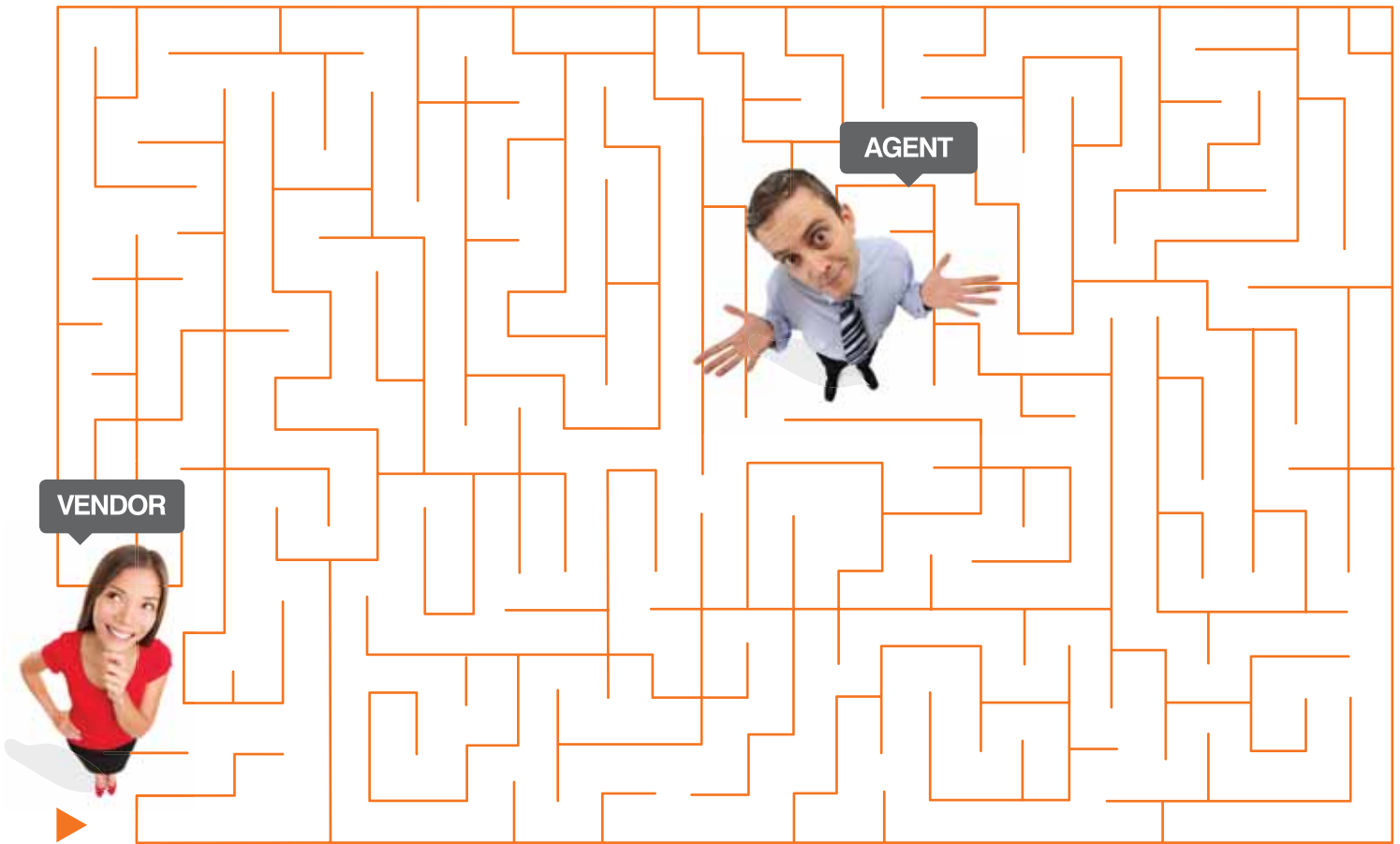
PETER BREWER

There are some interesting apps out there at the moment. Create floor plans on a budget with Magic Plan, make sure your staff are safe with Glympse and use QR codes for scanning with Open House ID.

MARK BOURIS

Shoe leather! Be amazed by how successful you'll become if you work hard.

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Q. Should principals sell?

The *Journal* asks REINSW members which side they fall on?

“YES”



MYRA BLOOMFIELD,
Principal at
Drummond Real
Estate Albury

I'm very much a hands-on principal. I like to know what's going on all the time, and I think it's a disadvantage for me to just sit at a desk to work on the business. Dealing directly with investors and homeowners, and establishing great working relationships with them is what makes this job so enjoyable. Being totally involved in the day-to-day running of the business is very rewarding.

Build relationships

Principals have the opportunity to build a strong rapport with clients and in turn, that creates stability and growth.

While I focus mainly on property management, my principal colleague who is in his 60s continues to sell property because he has a great bank of clients and enjoys keeping in contact with them. Let's face it, families don't buy and sell that many houses in a lifetime. It's not like going to the butcher shop every week to buy a steak.

He has established very good relationships with them over the years, and they feel comfortable coming to him for help selling their son's home or helping their daughter buy – it takes years to get repeat business like that. So principals who enjoy the work certainly should continue to sell and manage those relationships for the business.

And besides, a lot of the small businesses in Albury typically have the principal and one or two other sales people, so the principal can't afford to step away from the selling side.

Service oriented

I like to be at the forefront of everything, and if there is an issue that needs addressing, I like to think that clients can call on me directly to be there for them.

Although my colleague still sells, he has built up a strong team of professionals to take on more and more of the front line work so he can pursue other interests and still be at the helm. And I think that's probably where I'd like to be in the next five years. However, I still want to ensure my clients receive the personal touch, sound advice and good old-fashioned service that we deliver today.

“NO”



NICOLAS LYELL,
Sales Manager
at Elders Berry

If a principal is running multiple offices with multiple staff, I think they are much better focused on running the business rather than selling because that is what you employ staff to do.

Share the load

If you're in a big office with half a dozen sales staff, let them do their jobs. You'll be better rewarded at the end of the day, and you will have the time to run your business. You still have to oversee property management – in regional areas that includes holiday accommodation and commercial – as you have to make sure things don't go missing and people aren't misbehaving.

The real benefit to letting go is that you have time to oversee your business. You can put energy into things like accounting, where you can see immediately if there are any issues. You can make yourself available to all your staff.

If a principal runs the business because they want to be in on the awards and wants all the accolades but doesn't give their sales people a fair go, it opens up the revolving door scenario. No one is going to make money if those sales people are being overshadowed, and unable to pick up excellence awards because the principal has their name on everything. There is a fine line.

Size matters

With small boutique agencies, it's understandable to have an involved principal – it's fantastic; it means they're well known.

But it's really hard for a sales person in a large business to have a principal who doesn't share the workload and the reward. For example, it's difficult for a sales person to establish themselves in the community if the principal is taking all the listings. It's a two-way street. If the principal wants their business to grow, they need to step back a bit and put their sales people first.

It comes back to the size of the business you have. If you're successful enough to grow a large business, you've got staff to do sales for you! It's a win-win situation.



**NEXT MONTH
WE ASK:
Q. BUYER'S
AGENT: FRIEND
OR FOE?**

Sale away

Andrew Lutze, Partner and Sales Executive at Cunninghams Property, shares his insight into how to make it in sales.

When I was fresh out of school, I hopped over to Ireland to coach rugby, play music and travel. When I returned, I planned on going to university to do nursing, as a strategy to go into physiotherapy the back way. But I deferred university to figure out what I really wanted to do. My friend was working as a property manager at the time and told me about his day-to-day job. I thought it sounded really interesting; get out of the office and into the car, drive around and meet people. So I applied for two jobs. I went with Cunninghams Property because they offered me \$14 more a fortnight. I was all about the money at that age. But it turned out to be a really good decision for me.

Into real estate

I started my career in real estate as a cadet. I learnt all the facets from reception and property management to trust accounting, but I predominantly spent my time in leasing and sales, being a sponge.

Back then, we couldn't email contracts. We had to physically run them around to solicitors' offices, so there was a lot of time in the car.

I spent about two and a half years in a mentoring program with John Cunningham as his PA and shadow. After that, I went out as an individual salesperson.



Real estate isn't a profession for me – it's a passion. I love the thrill of the chase and getting the deals done.



People person

The people aspect of the industry is what I love most. Real estate isn't a profession for me – it's a passion. I love the thrill of the chase and getting the deals done. It's great when you receive a wonderful testimonial from someone, about how you've helped change their life.

Early on in my career, when I was a bit naïve and young, it used to be all about the dollars. Now it's definitely about making a bit of a difference.

Do your research

Once you have your Certificate of Registration, you need to upskill yourself and do your research. The worst thing an agent can do is start with one company, move to another and keep jumping around because you'll lose momentum. Real estate is all about momentum.

Don't wait for an ad to appear in the paper. Approach different agencies. Tell them how their auctions are going. Tell them how their marketing looks compared to competitors. Give them a reason to say "well, this person has shown some initiative and behaviours that we like; they'll be an asset to our firm". ♦



TOP TIPS

Andrew Lutze shares his best advice on starting in sales.

OWN IT

Get a patch and own that patch. Be known for selling property in that patch. You can do that by letterbox dropping, meeting the shop owners in the area, and getting involved with the local schools and community events. Like any business, you need to invest a bit of time, effort, energy and money into this.

UPSKILLING

You really should have a mentor, whether they are in your office or from somewhere else. They will guide you along the way and they'll certainly share some wisdom and experience about how you can accelerate your career.

There are a number of trainers and sales agents out there that can give you wisdom and training platforms. The faster you can upskill yourself, the faster your confidence will grow and you'll start to become more of an agent that people can trust.

BE A TEAM PLAYER

As much as sales people are individuals, you need to be a team player. When I'm looking for good sales people, I like it when it says on their resume that they've played some competitive sport. Most team players just see what they need to do and do it.

Breaking down payroll tax

Payroll tax can be a murky topic. The *Journal* decided to find the facts so you don't find yourself on the wrong side of tax law.

BY ANKUR DHAR, CLIENT ACCOUNT MANAGER AT NSW OFFICE OF STATE REVENUE

Payroll tax is a state tax paid by employers or groups of employers who pay annual wages in excess of the threshold applying in each state and territory. In NSW, the threshold for the 2014 financial year is \$750,000 and the rate of tax is 5.45 per cent for each dollar of wages above the threshold.

If a NSW employer also pays wages in another state or territory, the NSW threshold is reduced to a proportion of the full threshold based on the proportion of Australian wages paid in NSW. For example, if 50 per cent of an employer's wages are liable for NSW payroll tax, the employer's NSW threshold is reduced to \$375,000, which is 50 per cent of the total NSW threshold.

Taxable wages include all forms of remuneration for services, including commissions, most allowances, fringe benefits, employer superannuation contributions, and employee share scheme benefits.

Real estate agents must comply with the same requirements that apply to other employers. If a NSW real estate business or a group of related businesses pays annual wages that exceed the NSW threshold in a financial year, there is a liability to lodge monthly returns and pay NSW payroll tax.

Contractor or employee?

An employee is typically subject to stringent control on how, where and when work is performed. Even if a worker has an ABN and calls themselves a contractor, an employer/employee relationship may exist, in which case the wages are liable to payroll tax.

A contractor is usually subject to less control by the employer about how work is performed, and in some cases may be contracted to produce a specified result for an agreed price rather than be paid an hourly rate.

A contractor may be free to accept or refuse work, and may be able to delegate work to other contractors without requiring approval of the employer.

All forms of wages paid to all employees are subject to payroll tax.

All forms of wages paid to contractors are also liable to payroll tax, unless one of the exclusions apply.

These exclusions are explained in a number of Revenue Rulings published on OSR's website.

The main exclusions that may apply in the real estate industry are for contractors who also provide similar services to other real estate agents, and contractors who employ two or more workers (employees or sub-contractors) to perform the work required under the contract. ♦

“

If a NSW employer also pays wages in another state or territory, the NSW threshold is reduced to a proportion of the full threshold based on the proportion of Australian wages paid in NSW.”

MORE INFORMATION

For more information regarding the payroll tax and the exceptions, head to the Office of State Revenue website at osr.nsw.gov.au.

Fraud in real estate

Recent cases of properties being sold without the owner's knowledge or consent highlight the risks posed by real estate fraud and the need for agents to be vigilant.



Fraud is one of the fastest growing crimes in Australia and costs the economy in excess of one billion dollars every year.

In Western Australia in 2010 and 2011, two cases involved the sale of properties without the knowledge and consent of the legal and beneficial property owners. The agent involved thought he was dealing with the owners. Instead he was dealing with three imposters on the other side of the world.

Recently, an agent sold a property in Canberra without the owner's knowledge. According to *The Canberra Times*, overseas con artists were responsible.

In most instances, fraudsters contact agents pretending to be vendors. Generally, a request is made to change contact details. The hoaxers then communicate with the agent to build a relationship before instructing the agent to sell the property. Owners only become aware once they are no longer receiving rental payments.

Preventing fraud

In 2013, NSW Fair Trading developed the *Real Estate Fraud Prevention Guidelines*, which can be found on their website at fairtrading.nsw.gov.au.

The Guidelines provide a comprehensive checklist for agents to correctly identify vendors as well as signs of fraud.

While the Guidelines are not mandatory and completing the Proof of Identity Checklist is not a legal requirement, REINSW strongly recommends agents follow the Guidelines and complete the checklist.

According to REINSW President Malcolm Gunning the fundamentals are basic. "Always ask for proof of identification to show, as an agent, you have used your best endeavours to prove a vendor's identity and ensure you are gaining a complete picture of them."

As a matter of best practice, agents should request proof of identity when it comes to

dealing with vendors, including a driver's licence or current passport, a current Medicare card or current credit card and an account statement, electoral enrolment card, gas or electricity bill or water rates. The Guidelines suggest agents should keep these identity check documents on file for inspection if required.

According to NSW Fair Trading Commissioner Rod Stowe agents must be vigilant when it comes to preventing real estate fraud. "Agents must have external identity fraud prevention procedures in



As a matter of best practice, agents should request proof of identity when it comes to dealing with vendors.



place to prevent fraudulent real estate transactions from happening without the knowledge and consent of lawful property owners," he said.

NSW Minister for Fair Trading Matthew Mason-Cox believes it is best practice to follow up with owners via all modes of communication. "When a property owner wants to change their contact details, real estate agents should verify the request by contacting the owner via all the addresses the agency has on file," he said. The Minister also advises to examine all paperwork and question unusual communication.

It is also worth setting up security questions with owners. When approached by the owner, agents should go through these questions to verify their identity.

Another tip from the Guidelines is to type an email address when replying to emails rather than just hitting reply. This will ensure the email is sent to the correct email address without the possibility of being intercepted by a code embedded in the original email, if sent by scammers.

Warning signs

According to the Guidelines, agents should be cautious in situations where no financial institution, as mortgagee, is listed in the second schedule on the certificate of title for the property. This is because mortgagees (such as banks) have stringent security measures in place. Criminals are more likely to target properties that are wholly owned by the owner so as not to disrupt those security measures.

Other warning signs of such fraud include:

- a recent change in contact details that are only provided with instructions to sell a property;
- transactions that involve people or documents located overseas, especially countries known for scams;
- a request for funds to be deposited into a bank account different to the account normally used;
- urgent sales;
- new email addresses; and
- comments by the seller that incentives will be provided to the agent if the sale is quick.

Dealing with fraud

As soon as you suspect fraud, you should contact the NSW Police Force and agents should immediately cease work on the sale of the property.

It is important to use common sense when it comes to real estate fraud. If in doubt, contact NSW Fair Trading.

It won't be a case of being too vigilant. ♦

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Stellar SUCCESS

WHAT IT TAKES TO GET TO THE TOP OF YOUR PROFESSION

Three big players share their journeys through real estate and their top tips on making it in the industry. The *Journal* spoke to a sales agent, property manager and corporate executive to see what it takes to reach the top.

“

Make sure managers in your business know who you are and ensure you have a strong profile.

”







Kylie Walsh

**GENERAL MANAGER
DI JONES**

Having been in the industry since the age of 17, Kylie Walsh knows what it's like to work in every facet of the industry.

Every day is different. My motto is 'be ready for everything, but achieve something every day'.

Since I came into the industry, straight out of school, I've worked in so many different roles – reception, property officer, property manager, sales, business owner and corporate, including state manager roles and national roles. I'm now the General Manager of one of Australia's most definitive boutique and successful real estate brands.

Being myself for my clients is key to my success. Clients want honesty, passion and energy that achieves great results.

Need and want

At 21 when I decided to buy an office, I didn't know any better. I always believe that you'll be successful in real estate if you have a need and a want, and I had both. I had to pay the bank back, and I wanted to be successful. Sitting in the office signing the bank papers was frightening! I didn't know any better and I had nothing to lose.

Every time I have helped a family move and achieve their property dreams is an honour. My first sale would have to be my most memorable though. It was a 22-apartment block in sunny Tamworth when I was in my early 20s; that was a big sale for country NSW. A high profile agency had had it on the market for a long time and I sold it the first day I listed it through my database.



My motto is 'be ready for everything, but achieve something everyday'.



Building careers

The thing I love most about the real estate industry is meeting people from all backgrounds and every corner of the world, and hearing their stories.

When you're running a business it's all about providing great leadership to your people and explaining the vision of the company to them; making sure they are engaged and want to be a part of the journey.

The wonderful thing when you're managing a business is that you are able to help people build a career and help them achieve their personal goals. There's the ability to change the way staff are recruited, retained and engaged in the strategic plan of the business with the directors.

My advice: surround yourself with successful people, get yourself a mentor and be patient.



Leah Jay

**DIRECTOR
LEAH JAY**

Leah Jay started her career in a local real estate office. She has since opened her own property management agency, nourishing and developing it over the past 20 years.

I came into the industry by chance. I had been working in administration at a solicitor's office and saw a job in property management advertised. It sounded interesting and turned out to be good fortune, as I quickly came to love the role.

I worked as the property manager at the real estate agency for almost six years when the chance to purchase a small rent roll came up. This was in 1994 and I felt that it was possible to do rentals better and with a greater focus. So I began as a sole trader in a shared office and here we are 20 years later.



Word of mouth was crucial during the early days and still remains the strongest form of promotion.



Growing a business

The original aim was to create a niche business with the focus on property management. Of course the challenge was for it to be viable and sustainable. At that stage there was no grand plan to grow to any great size. Growth has always been controlled, whether via acquisition or organically, with the concern centred on maintaining control and quality of service. Word of mouth was crucial, particularly during the early days and still remains the strongest form of promotion. Over the past decade, we have put effort into developing the brand. We now have three offices and manage close to 3500 properties.

The key to our success was realising there was an opportunity in the market. We carried through with that belief despite the doubts. People said it was impossible to survive without sales.

Passion is key

One of the greatest challenges is managing clients' expectations. Expectations from property owners and tenants have increased substantially. Naturally the requirements of the two groups differ. Communicating what you will do to meet their requirements is a must and then, of course, following through.

If you're looking to get into property management, it's important to determine if it's just a job or whether you have a real passion for it. If you feel it's really you then it will work out and the intrinsic rewards are there. Respect what you do and take pride in it; what we do is still relatively undervalued, but invaluable. That said, take what you do seriously but not yourself, and then ensure you find the thing outside of your work that centres you.



Tracey Dixon

**SALES AGENT
MCGRATH
HUNTERS HILL**

From teaching to real estate, Tracey Dixon has found her niche market in Hunters Hill.

I was a high school teacher prior to taking on a real estate role. This has been a huge advantage in my real estate career. Educating buyers and sellers in various aspects of the market and during the transaction process is a big part of what we do.

I have a keen interest in design and architecture, and thoroughly enjoy renovating and building. When I made the decision to pursue a new career path, I was drawn to real estate for these reasons, as well as the opportunity to interact with homeowners and buyers.

When I started, it was in marketing for a real estate brand. After a while, I began assisting with open homes and then naturally went into sales.

Turning points

Being invited to join McGrath was a turning point for me. The training and support provided the platform to take my sales and marketing skills to the next level. Opening the Hunters Hill office in the historic Cuneo building in 2008 was also a highlight.

Selling a waterfront home was probably my most memorable sale. It proved that by implementing the right selling strategy you can achieve exceptional results.

The market conditions at the time were very suppressed and there were few sales taking place in that particular price bracket. I implemented a plan to ensure we did not leave any stone unturned, which included ensuring the home was extensively marketed and presented beautifully. The home was taken to auction with 15 registered bidders on the day and 12 of those actively bidding. The home sold well above expectations and set a new precedent for the local prestige market.



My best piece of advice is to start where you want to finish.



Getting ahead

Price always has and always will be the most integral part of the selling process. This means ensuring the price is right upfront and adjusting accordingly throughout the campaign. One of the main reasons a home won't sell is unrealistic price expectations.

Having expert market knowledge and a clear understanding of how people make the decision to buy is also key. Any agent can put a home on the market, but few can close some of the more difficult deals and find a middle ground for negotiation.

My best piece of advice is to start where you want to finish. I think it's really important that an agent starts in the area where they want to establish themselves long term. ♦

TOP TIPS TO GET AHEAD

1

TAKE INITIATIVE

Initiative shows an ability to act independently and think for yourself. This can sometimes take pressure off others, which in turn can make your contribution more valuable. Managers recognise initiative, so think ahead and go with your gut.

2

DON'T BE INVISIBLE

Make sure managers in your organisation know who you are and ensure you have a strong profile among your colleagues. Go to industry events and join networking groups so the wider industry knows your face as well. Speak up in meetings.

3

BE A YES PERSON

Even if you think certain jobs aren't in your job description, if you have the capacity, agree to do it. This shows that you're willing to go the extra mile for your company. Also, always embrace new challenges and be flexible. But know when to say no.

4

WORK SMARTER, NOT LONGER

Get the same results in less time. Write lists, stay organised and make sure you manage your time effectively. Eliminate major distractions if you're doing something time sensitive, like emails and phone.

5

KNOW WHEN TO ASK FOR HELP

Asking for help isn't failing; it's showing that you recognise your strengths. Don't be afraid to ask for help, but remember to return the favour.



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A

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Licensing crisis averted

BY PENELOPE BARKER

Renewed lobbying by REINSW has reaped great rewards with the NSW Government announcing that the deregulation of commercial licensing will not go ahead.

Recently, REINSW lodged a second submission with NSW Fair Trading in response to the Shopping Centre Council of Australia's proposed changes to the Property Stock and Business Agents Regulation 2014. The changes proposed an exemption of "related entities" and "large commercial property owners", allowing agents to deliver commercial real estate services without obtaining a Certificate of Registration or Licence or competing further education.

“

We demonstrated that there would be an adverse effect on the confidence of investors in the market.”

“We submitted our concerns directly to the Minister for Fair Trading, Matthew Mason Cox, to attempt to exclude from the remake of the Property, Stock and Business Agents Regulation (which commenced on 1 September 2014) the exemption for certain large commercial agents from the requirements of the *Property, Stock and Business Agents Act*,” REINSW President Malcolm Gunning said. “The licensing regulations were established to protect consumers and other third parties.

“We consistently oppose any proposal where due process has not been followed and which allows inexperienced, unqualified and unlicensed operators to practise real estate.”

In its submission to the Commissioner for Fair Trading Rod Stowe, the Shopping



Centre Council of Australia dismissed REINSW's concerns.

“The REINSW's claim that deregulating commercial property agency work means that anyone could carry out that type of work without qualifications, experience, or training is laughable,” wrote Executive Director Milton Cockburn.

Lobbying by REINSW was supported by other peak bodies. “Our lobbying against the proposed changes was supported by the Law Society of NSW and the Estate Agents' Cooperative,” Mr Gunning said. “This [the deregulation] was all about a small, wealthy group of people wanting to cut red tape and change the legislation to suit themselves, not the good of the whole community. The de-licensing of transactions would take away a level of consumer protection.”

This was denied by the Australian Retailer's Association. Speaking on behalf of the Association, Executive Director Russell Zimmerman said, “We would prefer to see people with marketing expertise handling the leasing in large shopping

centres, someone who understands getting the right mix of retailers into that sphere and who understands where the market sits. Real estate agents are not required.”

REINSW CEO Tim McKibbin says it's dangerous to play with NSW's regulatory framework. “Any de-licensing opens up the market to people who do not have the training or experience.

“Also, people currently excluded from practice due to fraud or other reasons will be entitled to offer themselves for employment as an agent. It's the Government's responsibility to ensure that there are requisite training, skills and probity checks.”

Mr McKibbin said REINSW was rapt with the outcome. “We demonstrated to government that there would be an adverse effect on the confidence of investors in the market, particularly foreign investors,” he said. “The government realises that these measures would tarnish the integrity and reputation of the real estate profession, industry and market.” ♦



The conference of the year!

The inaugural 100+ Conference was a huge success, with rave reviews from delegates about the excellent speakers, exceptional content and informative Interaction Hub.

The 100+ Conference went off with a bang on 8-9 September 2014, with key players from across the industry sharing their successful tools, information and award-winning advice.

Brand and marketing guru Simon Hammond kicked off the conference with his session on innovation, growth and engagement. Joined by a live musician and using powerful images to evoke emotion, Simon talked about the important role businesses can play in society if they define what they stand for and articulate their position well. Wowing delegates with his presentation, Simon set the bar high for what was an amazing two-day event.

And there was definitely something for everyone at the 100+ Conference.

The multi-stream program gave delegates the opportunity to design their own conference by choosing the sessions they wanted to attend.

Delegates were spoilt for choice, with sessions to suit residential sales agents, property managers, buyers' agents, commercial specialists, strata managers, valuers, holiday letting agents, young agents and more.

Delegates were the first to hear about what's new in the 2014 edition of the Contract for Sale and Purchase from legal eagle Tony Cahill.

RP Data's Tim Lawless analysed the latest market data, leaving many in the room hungry for more data to take back to their clients.

Digital specialist Lee Stephens shared a practical overview of the strategies agents can use to deliver better outcomes and more listings from digital media.

Dr Jennifer Arnold-Levy explained the importance of understanding yourself in order to be able to succeed at time management.

And that's just a snapshot!

There were also a range of panel sessions, giving delegates the opportunity to hear from and ask questions of some of the best and brightest in the business.

The Interaction Hub was the place to be during breaks. Delegates had the chance to network with each other and talk to sponsors and exhibitors.

The highly-anticipated closing session was presented by businessman and entrepreneur Mark Bouris, who emphasised the importance of backing yourself. Mr Bouris regaled delegates with stories of his meetings with the infamous Kerry Packer and his colourful language had the delegates on the edge of their seats.

According to Mr Bouris, real estate is the business of shelter, of dealing with people's hope and dreams. "A proprietor thinks the way a consumer wants him to think. Working hard is not something you think about. It's a privilege, an honour and an ethic." ♦



Diverse and informative speakers educated and entertained delegates.

 **@thatpeterbrewer**

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 **@RPData_KDavis**

“Build your business around human fears, frustrations and desires around **#realestate** to be successful says **@HammondThinking #100plusConf**”

 **@REINSWnews**

“What do you stand for as a **#realestate** agency? Lee Stephens urges agents to start conversations and engage. **#100plusConf**”

ZOIE CARROLL

Raine & Horne, Bondi Junction and Coogee/Clovelly

“The best overall presentation for me was Simon Hammond on Innovation, Growth and Engagement. He had the biggest wow factor. He also talked about what developments are going on, not just locally but on a global scale, which was really informative. It’s been great overall.”

CHERIE KELLY

Kellys Property Newtown

“It’s been really good, it’s a lot about networking and getting to know everyone in the area. It’s also been about what trends are happening as well as a basic overview of a lot of the different areas in commercial, leasing, development and also supply and demand, which has been really great.”

BEN PURDUE

Raine & Horne Commercial

“The quality of the speakers has been quite impressive with some of the industry’s leaders being here and speaking, so we’ve learnt a lot from them.”

JOHN MOLLOY

Good Deeds Property Buyers

“Loved the Conference, something for everybody especially buyers’ agents which there normally isn’t.”



Keep an eye on 100plus.com.au for details of the 2015 100+ Conference.

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REINSW would like to thank all of our generous sponsors for helping to make the inaugural 100+ Conference such a great success

To see all the photos from the 100+ Conference, head to the REINSW Facebook page at www.facebook.com/REINSW



Greater choice for Sydney homebuyers

BY PENELOPE BARKER

Recent amendments to the NSW Government planning policy allowing smaller lot development are set to increase housing options and improve housing affordability in Western Sydney.

NSW Minister for Planning, Pru Goward, recently announced a further 2500 new Western Sydney home sites will be unlocked immediately, following changes to the NSW Government's planning policy that allow double-storey residential developments on lot sizes as low as 250 square metres.

"The amendment allows sensible smaller lot development and a variety of medium density housing choices that will encourage builders to develop house and land packages to sell for \$400,000 and less," Ms Goward said. "The changes mean a Western Sydney homebuyer will have more choice of home type, and may also save up to 10 per cent on the cost of their new home.

"New suburbs in Western Sydney are expected to be home to half a million people over the next 25 years, so it's crucial for us to get the planning right now."

The changes

The changes will allow:

- More housing choices in low density areas by permitting townhouse and villa-style housing, and allowing detached homes on a wider range of lot sizes, where there is good access to transport, shops and community facilities.
- Detached dwellings on small lots

in medium density zones, so that developers can offer a wider range of more compact housing options at a more affordable price.

- Studio dwellings to be strata subdivided from the main house so they can be sold separately.
- Standardised minimum lot sizes that are related to minimum density controls.
- Streamlined approval pathways to improve the feasibility of more diverse housing types, leading to reduced construction costs.

How it's affecting the locals

In the outer western growth area of Liverpool, local agent Antonio Pascale of PRD Nationwide Nucifora welcomes the idea.

"There is currently a large influx of migrants from Iraq and India moving into the area," Mr Pascale said, "and there is plenty of land within 10 kilometres of the metro area to expand the housing stock ... many property owners I have spoken with recently are keen on the idea that they can now add granny flats or studio dwellings to their properties and sell them separately."

"We applaud the NSW Government for recognising and providing what

the residential buying public wants," REINSW President Malcolm Gunning said. "The changes are good news for first homebuyers, but also provide a variety of housing styles that are now sought-after by working couples with no children and seniors wishing to downsize close to amenities within their local area."

Mr Gunning added that changing consumer housing needs also need to be addressed in regional growth centres.

"More medium-density housing is needed in the town centres of regional growth centres around New South Wales. As the population ages, people want to move off the land or large blocks and into town centres where they can walk to all amenities. Earlier this year, for example, a group from REINSW toured 21 regional centres across the state. In Dubbo, the local council had recently overturned a medium density development as being 'inappropriate' despite a petition from many older residents in support of the development.

"A lot of regional councils are prejudiced against medium-density development and see it as an undesirable form of construction. We need to look at how this prejudice can be overturned." ♦

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Blurred lines

BY CHELSEA WALLIS

The rivalry between real estate agencies usually encourages healthy competition and the best outcomes for sellers and buyers alike. But what should you do if your opposition gives in to unethical tactics?

Bill Bridges is a Senior Sales Executive at Ballard Property Woollahra who, after 55 years in the industry, has seen his share of dishonest behaviour. It could be promising anything an owner wants to hear, maintaining contact with a seller after they have signed with another agency, or presenting negative feedback on rival agencies to prospective clients.

"The industry is very competitive and I like that, but you must not let it get to you," Bridges says. "[Unethical agents] get the result they want if you let it get to you."

And though it can be maddening to have to contend with mudslingers, there is a better way to deal with others' lax standards than resorting to them yourself.

Industry ignorance

REINSW President Malcolm Gunning suggests the problem is one of ignorance rather than malicious individuals in the industry.

"The reality is that the entry level to become an agent is quite low," Mr Gunning said. "In other professions, a person entering the industry spends three or four years studying. This hard work translates into a level of esteem for the profession.

"If a new agent spends one week training and then in their second week goes on to sell properties, there are any number of business etiquette rules they may be liable to break.

"They may not realise they are making mistakes that could end their career before it begins.

"There is an expected level of business etiquette and reporting that's required because you're providing a service," Mr Gunning said. "But the reason unethical behaviour takes place is the rush and lack of self-confidence or education to get a listing."

Community solution

In such cases, it's up to the industry to set an example of good ethics and demonstrate that real estate isn't just a career.

Starr Partners CEO Douglas Driscoll acknowledges that maintaining, defending and building on a good reputation is a constant battle. "Continue to operate with honesty and integrity," he advises. "It's not just you; it reflects on the whole industry."

A good agent sells themselves through their expertise and knowledge of the market. They will explain to the owner where a property sits in the market and what the expectation is based on comparable sales.

When a client decides to go in another direction, they know to thank them for their consideration and put their time into other opportunities.

But more than that, agencies should make sure staff are properly trained. "A young agent may have academic ability, but he or she also needs to have experience as an assistant from an experienced agent," Mr Gunning said. "Generally that does take place in the industry: if you're new, you don't usually walk straight in and start selling real estate. You work in a team and you commit as an assistant, and then you work your way through to becoming a lead sales agent."

If your office doesn't have the capacity to train in house, REINSW also offers entry-level education, traineeships and licensing qualifications that provide a formal qualification while gaining practical experience.

It's the responsibility of everyone in the real estate community to keep standards high and ensure that agents are proud to uphold industry standards. ♦



TOOLKIT



BEING THE BIGGER PERSON

PICK UP THE PHONE

Often, a phone call to the offending agent may be all they need. Speak your mind and be assertive, but don't show your anger and don't become aggressive. If necessary, you can involve industry bodies.

DON'T BE DRAWN IN

Tit-for-tat exchanges can sometimes be hard to turn your back on. You want to ensure the other person hears what you have to say. But sometimes it's just as effective to walk away. It's far better to stay dignified and professional at all times.

FOCUS ON YOUR CLIENT

Your client always comes first. Rather than putting all of your efforts into thwarting the competition, focus on doing the best for your client. In the end, you'll receive a much more positive outcome.



It's up to the industry to set an example of good ethics and demonstrate that real estate isn't just a career.



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Training calendar



Women in Real Estate Conference – 18 Nov

Sydney This year the Women in Real Estate Conference is all about inspiration, motivation and relaxation, with entertaining speakers, fun activities, prizes up for grabs and champagne and networking afterwards. Be sure to book your place!



NOVEMBER 2014

1 – 29 Nov • SYDNEY
Certificate of Registration Course (Part Time) ●
(9.00am–5.00pm)

3 Nov • SYDNEY
Creating Impact and Influence ●
(9.30am–1.30pm)

3 – 7 Nov • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

5-7 Nov • SYDNEY
List and Market Property Essentials ●
(9.30am–4.30pm)

10 Nov • SYDNEY
Introduction to Commercial Real Estate ●
(9.30am–1.30pm)

10 – 14 Nov • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

11 Nov • SYDNEY
Inspection Processes for Commercial Property ●
(9.30am–1.30pm)

12 – 14 Nov • SYDNEY
Keeping the Books Essentials ●
(9.30am–4.30pm)

17 – 19 Nov • SYDNEY
Trust Accounting Essentials ●
(9.30am–4.30pm)

17 – 21 Nov • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

18 Nov • SYDNEY
Women in Real Estate Conference ●
(9.00am–7.00pm)

20 Nov • SYDNEY
The A-B-C of Compliance ●
(9.30am–1.30pm)

21 Nov • SYDNEY
Make your Business Rock Using Video ●
(9.30am–1.30pm)

24 – 28 Nov • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

24 – 28 Nov • SYDNEY
Property Management Essentials ●
(9.30am–4.30pm)

27 Nov • SYDNEY
AGM, State Conference and Industry Summit
(8.00am–5.00pm)

DECEMBER 2014

1 Dec • SYDNEY
The D-E-F of Compliance ●
(9.30am–1.30pm)

1 – 5 Dec • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

2 Dec • SYDNEY
An Agent's Guide to Tax and Property Investment ●
(9.30am–1.30pm)

3 – 5 Dec • SYDNEY
People Management Essentials ●
(9.30am–4.30pm)

8 – 11 Dec • SYDNEY
Property Sales Essentials ●
(9.30am–4.30pm)

8 – 12 Dec • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

12 Dec • SYDNEY
Managing Your Property Management Workplace ●
(9.30am–1.30pm)

15 – 17 Dec • SYDNEY
You and the Law Essentials ●
(9.30am–4.30pm)

15 – 19 Dec • SYDNEY
Certificate of Registration Course ●
(9.00am–5.00pm)

18 Dec • SYDNEY
Prepare for Selling Like Never Before ●
(9.30am–1.30pm)

WANT TO KNOW MORE?

You can find out more about all of our courses and register online by visiting www.reinsw.com.au

Click on Course Schedule in the Training menu.

COURSE KEY

- Certificate of Registration Course
- Toolbox Series
- Real Estate Essentials Series

Frightening fundraising

Balmain agency Cobden & Hayson actively invests in its community, but one of the events it sponsors is rather frightening.



Members of the community take part in the Halloween celebrations, including the Haunted House.

Cobden & Hayson has one of the scariest houses on the block and everyone in Balmain is excited to see what's lurking inside.

What began with a parent on the local school committee looking for a helping hand, ended with the agency sponsoring one of the headline events at the annual Halloween festival – the haunted house. And once the agency was in, it mysteriously found it couldn't leave.

For the past six years, Cobden & Hayson has supported the Nicholson Street Public School Halloween Festival. This year it has helped re-imagine the haunted house as an old mansion of the Deep South with a dark secret.

Halloween fundraiser

The event was founded more than 20 years ago when an American family in Sydney's Inner West introduced the holiday as a fundraising idea. Today, it entertains a crowd of more than 2000 school-aged children and their families, encouraging ghoulish fancy dress and themed entertainment.

"The Halloween Festival is a unique and fun day for children and parents alike and captures the true spirit of our community school," Nicholson Street Public School President Nicole Sorby said.

Funds raised go directly to the Nicholson Street Public School. And although a number of sponsors support the school on the day, Cobden & Hayson Director Danny Cobden said it's really the volunteers and school committee that make the event happen.

"We're a tight-knit community," he said. "It's great to see the effort the parents and kids go to with getting dressed up."

Community focus

It's just one of the many ways Cobden & Hayson pitch in for their community. Cobden says the company is an active local sponsor in everything, from rugby and cricket teams to the Balmain Regatta and the arts and crafts show.

"We're a prominent local business, but we're reliant on the locals and the support we get from the local community," Cobden said. ♦

YOUR STORY

We want to hear your stories! If you or a member you know supports a charity, and has a story to tell, email the editor at jessica@mahlabmedia.com.au



IN THIS YEAR: 1973

For our 100+ Conference month, the *Journal* decided to look at events from years gone by. In May 1973, the World Real Estate Conference took over Sydney, complete with ice-breaking challenges.

The 24th annual Congress of FIABCI (International Real Estate Federation) was held in Sydney in 1973.

Members from 27 member nations and 30 corresponding nations descended on the harbour city. It was the first time the congress has been in the Southern Hemisphere.

There was an ice-breaking barbeque held in Narrabeen Lakes, complete with wood chopping and other 'Australiana'.

That same year, the Centenary Parade of Homes took place.

Sponsored by the Master Builders' Association of NSW, celebrating its centenary year, a parade of homes was erected at a cost of \$2.25 million. The display featured 45 display homes and was open for eight weeks.

Thousands of plants and trees were planted throughout the Parade of Homes, situated across a 25-acre area at Kings Langley between Seven Hills and Baulkham Hills.

All homes featured up-to-date mod cons and were wired to 'House-power plus' standard.

In Parade coordinator, Guy Beange's words: "Our aim is to provide Australian home-seekers with a one-stop showcase to the best in domestic housing."

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