

# Journal

JUL 2013  
VOL 64/06



## Innovative ideas

**Innovation in the real estate industry and the benefits it brings**

### **Delegating work works**

Exploring the art of delegation

### **Tag team**

How auctioneers and sales agents can make a winning team

### **GST basics for your agency**

What every agency needs to know





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Find out what these leading industry figures had to say about innovation in real estate.

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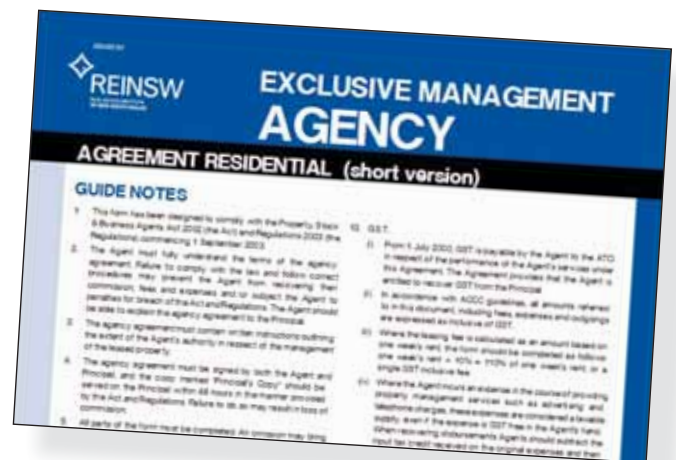
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## PRESIDENT



# Leading the discussion

With the new financial year underway, now is the time to start reviewing existing plans for your business and making new ones. Ask yourself how you intend to set your business apart from your competition, and what you can do to improve performance and increase efficiency in the year ahead.

We are sure to see fluctuations in activity in the market in the lead up to the Federal Election, as people hold off on making big decisions to see what changes may be heading our way. So think of ways to save your business time and money, to help it adapt to the ever-changing marketplace, and prepare for varying cashflow in the coming months.

### Discussing innovation

For our cover story this month, we brought together a group of leading agents to discuss innovation in real estate in NSW. The group shared their insights, knowledge and best practice tips as they discussed innovation in business, technology and marketing throughout our industry.

### Lobbying

Our most significant focus recently has been on actively lobbying the NSW Government for a reduction in transfer stamp duty in order to stimulate transactional activity in the property market and as a result potentially boost state revenue by hundreds of

millions of dollars. Empirical evidence of past property tax rate reductions in the ACT, the Northern Territory and Western Australia shows significant consequential increases in government revenue.

In May, REINSW CEO Tim McKibbin and I met with NSW Treasurer Mike Baird to ensure this issue was given the proper attention ahead of the State Budget. We're not asking the Government to take an inordinate risk. This is a proven method of boosting the economy and should not be viewed as a brave thing to do, but only as a course of action required by common sense and good judgement.

### Fair Trading

This month's article from NSW Fair Trading is both interesting and informative, as it covers the most common complaints made against NSW agents by consumers.

It acts as a reminder for us all to always conduct ourselves in a professional and lawful manner to protect everyone's interests and ensure the good reputation of our industry is upheld.

**Christian Payne**  
REINSW President

## CEO



# Time for tax reform

With the Federal Election coming up in September, much has been said recently regarding state taxes and reforms to the Goods and Services Tax (GST), which came into effect 13 years ago this month.

The Coalition has indicated that the GST will be included in a broad review of the overall taxation system if it wins the upcoming election, and this has received applause from many State Premiers.

At REINSW we support a review of our entire tax system, as it is currently inhibiting growth.

### Inefficient taxes

State taxes as they stand are inefficient, regressive, inequitable, complex and uncertain.

Transfer stamp duty is insidious, with its cascading tax-on-tax effects — including stamp duty on GST. The high rates of stamp duty inhibit and even paralyse the property market by discouraging first homebuyers, who in many cases cannot afford to save for a deposit and cover stamp duty as well.

Land tax forces up rents, directly for commercial property and indirectly for housing. Land tax exemptions are complex and invasive.

### Time for reform

Any number of state taxes are screaming out for abolition and there was community expectation of this happening

when GST was sold to the public back in 2000.

The merits of reforming GST with a simultaneous abolition of state taxes include:

- **one tax** applying consistently across all eight jurisdictions;
- **one administrative tax practice** applying consistently across all eight jurisdictions; and
- **one Administrative Appeals Tribunal** consistently reviewing the tax.

It is time for the government to act to reform our state taxation system and the GST.

Regardless of who wins the Federal Election, a commitment must be made to reform GST, as it has not been changed since its implementation some 13 years ago.

REINSW will continue to lobby the government on the review of state taxes and the GST and we will keep you up to date on our progress.

**Tim McKibbin**  
REINSW CEO

## THE MONTH IN NUMBERS

# 1.9bn

The amount earmarked by **The City of Sydney** for its building and construction program over the next decade.

# \$1.68m

The sale price of the Glebe property sold by **Cooley Auctions'** Jacqui Lion-Cachet at her first auction for the company.

# 600sqm

The size of the office space leased in the Museum of Contemporary Art building by **Ray White Commercial** to the Australian Olympic Committee.

# \$15.51m

Sale price of **Sir Peter Abeles'** former Bellevue Hill estate in Sydney.

## REINSW calls on NSW Government to protect holiday rentals

REINSW has asked the NSW Government to make a state-wide ruling to protect holiday rentals.

It follows a challenge made to Gosford City Council to amend its Local Environmental Plan to

remove a recent amendment that stipulates holiday and short-term rental owners must obtain a permit for their property.

The Land and Environment Court ruling has placed

immediate restrictions on the current LEP to make short-term letting allowable without consent on properties in 2A and 2B residential zones.

Shoalhaven, Kiama and Eurobodalla Councils are already changing their LEPs to allow short-term rentals without having to seek special permissions.

REINSW President Christian Payne said holiday rentals are the backbone of coastal economies across NSW.

"We acknowledge that there can be isolated issues in regard to short-term rentals and accordingly encourage all holiday rental owners to use a licensed agent who complies with the Holiday Rental Code of Conduct," Christian said.

"We urge the State Government to step in and support short-term rentals across the state."



# VOX

## Q. What does it take to make a top real estate agent?



**WILLIAM PHILLIPS**  
Residential Salesperson at BresicWhitney

"Top-tier agents are clearly identified by the way they communicate their knowledge every day. Knowledge gives people confidence and inspires trust. Even on a basic level, until an agent can demonstrate some product knowledge, buyers and sellers will not gravitate to them. A top agent must also provide excellent service. In a highly competitive market, service levels are already high so agents need to be hungry on a service level and put themselves second with sellers and buyers."



**D'LEANNE LEWIS**  
Director of Sales at Laing+Simmons Double Bay

"I believe what makes a top agent is a mixture of a few things. First of all, these include the ability to listen and the ability to empathise. Enthusiasm, dedication, integrity, honesty, commitment, patience and humility are also important attributes. A top agent must be genuinely interested in helping people and want to learn new things. My personal goal is to constantly learn, grow and achieve."



**JULIAN HASEMER**  
Principal at 1st City Hasemer + Caldwell.Eyles

"An agent's market knowledge in a niche market is the foundation to becoming recognised as a good agent. You also need to offer a point of difference to other agents you may be competing against. Your goal should be to become the "go to" agent in your chosen niche. Your market knowledge of your niche builds your confidence, and becomes your strength when competing for new business. Inevitably more selling opportunities will then organically arise as a result of these activities."

# REINSW lobbies NSW Government to rethink taxes detrimental to the property market



A fire and emergency services levy is one of the issues being tackled by REINSW's lobbying efforts in NSW.

Over the past few months, REINSW has lobbied the NSW Government on a series of taxation issues that affect the NSW property market.

## Stamp duty

As part of its ongoing campaign for taxation reform, REINSW is urging the NSW Government to reduce stamp duty rates as a means of stimulating activity in the market and increasing state revenue.

Research by REINSW shows that a cut of as little as 0.5 per cent to the stamp duty rate would incentivise the property market and potentially boost state revenue by up to hundreds of millions of dollars.

“What we learnt from the GFC is that innovative policy actions by government can invigorate and sustain the market,” REINSW President Christian Payne said.

“What the NSW Government needs to recognise is that because stamp duty rates are too high, they are impeding state revenue and we need

to cut rates to increase state revenue,” he said.

Empirical evidence shows that rate reductions in the ACT, the Northern Territory and Western Australia have resulted in significant consequential increases in government revenues.

“We’re not asking NSW to be Robinson Crusoe. It has been done and it is proven.”

## Fire and emergency services levy

REINSW is also lobbying against the introduction of a new levy on property to fund fire and emergency services.

“This is yet a further cost on property and it will hurt renters and property owners alike,” Christian said.

“Every time the Government or someone needs to fund something they turn to property.

“REINSW strongly advises that an alternative way to fund the levy is found.”

## First homebuyers

As part of the continuing campaign for the reinstatement of first homebuyer incentives, REINSW has put a face on the issue.

Kate Ghittino and her husband Darryl Gardiner have been looking for a home to purchase for 18 months, but removal of the first home owners grant for existing dwellings and the abolition of stamp duty concessions has put it out of their reach.

REINSW President Christian Payne said that Kate and Darryl are just one example of many.

“If a professional couple like Kate and Darryl are unable to bridge the gap in order to purchase a property, it clearly demonstrates that there is a fundamental problem,” he said.

*You can find out more about all of these issues and how REINSW is addressing them at [reinsw.com.au/lobbying](http://reinsw.com.au/lobbying) or please call REINSW on (02) 9264 2343.*

## Darling Harbour planning applications go public

Plans to redevelop Darling Harbour in Sydney are progressing following the lodgement of two planning applications for a replacement convention centre and development of the Haymarket area.

The NSW Government has partnered with Darling Harbour Live, a consortium of companies including Lend Lease, Capella Capital, AEG Ogden and Spotless to develop the 20-acre precinct.

The proposed plan includes the development of integrated convention, exhibition and entertainment facilities, a new hotel with up to 900 rooms, and the development of nearby Haymarket with a mix of shops, cafés and businesses.

NSW Deputy Premier Andrew Stoner said the development will deliver an estimated \$5bn in economic benefit to the state.



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Sir Donald Bradman's childhood home.

## Restored wonders win awards

Wollongong North Beach Bathers Pavilion, Sir Donald Bradman's boyhood home and a church where 40 first fleeters were laid to rest are among the winners of the NSW National Trust Heritage Awards.

The Awards celebrate the conservation of important properties across NSW.

Winners include interesting properties such as St Joseph's

Church in St Albans. The property was constructed by a former convict and is home to 40 first fleeter graves.

According to legend, three monks lived in the roof and made herbal remedies for locals. The property has been converted to a unique guesthouse.

"This is about our future as much as our past, and

what has been saved for the next generations is truly remarkable," National Trust NSW CEO Brian Scarsbrick said of the winners.

"We owe a debt of gratitude to all our award winners. What they have managed to give us – sometimes against tremendous odds and with painstaking attention to detail – is a wonderful gift for the future."

## TOP TIPS OF THE MONTH

### How to get the most from your ad creative

This month's tips come from Dean Hunt, Creative Director at VCCP – the ad agency that brought us Aleksandr the meerkat of [comparthemarket.com.au](http://comparthemarket.com.au) to Australian shores.

**1. Don't be afraid to stand out**  
Standing out is the whole point of creative advertising. So don't be afraid to zig while the others are zagging. This is not an excuse to be "different" for the sake of it. Your advertising should be relevant, but does it have to look like everything else in the category?

**2. K.I.S.S. (keep it simple, stupid)**  
Good advertising creative has a childlike simplicity. Ask yourself: do you really need all those words? Maybe an image could do the job better? Say one thing and say it over and over again. You may get bored, but your audience will not.

**3. Respect the craft**  
Creative advertising is about good strategies and ideas. But don't forget to respect the final product. The ad itself is what the public sees. They see a combination of words and pictures and in a split second they decide whether they want more.

## New Consumer Sentiment Report from REINSW

**May 2013**  
**consumer sentiment report**

**INTRODUCTION**

including housing finance system, median price and median weekly rent. It also provides an insight into how the property market is performing and how it compares to other markets.

The Consumer Sentiment Index (CSI) is a key indicator of consumer confidence and is used to track the business of property professionals each and every day. In this report, REINSW brings the insight of the Consumer Sentiment Index and will introduce a new Consumer Sentiment Index together with a number of other key indicators.

However, in recent months we have seen a decline in consumer confidence and other property indicators. This is a key indicator of the health of the economy and is a key indicator of the health of the property market.

The CSI has been used as an approach to track the health of the property market for many years.

The results suggest that consumer confidence is declining and that the property market is likely to experience a period of slower growth in the near future.

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**Consumer Sentiment Index: NSW v National**

As of 12 months to May 2013, the REINSW Consumer Sentiment Index (CSI) is 100, representing the level of the CSI in May 2013. The index is based on the level of CSI, with a score of 100 representing the level of the CSI in May 2013. The index is based on the level of CSI, with a score of 100 representing the level of the CSI in May 2013.

CSI	CSI	CSI	CSI
CSI	CSI	CSI	CSI
CSI	CSI	CSI	CSI

Consumer sentiment is a key economic indicator and one that influences the business of property professionals each and every day. That is why REINSW is now publishing a new monthly report that focuses on consumer sentiment and the impact it has on the property market.

The REINSW Consumer Sentiment Report brings together the Westpac/Melbourne Institute Consumer Sentiment Index with a number of other key indicators, including housing finance figures, median prices and auction clearance rates.

It is useful to view these indicators together to gain an understanding of overall market trends.

Like the other publications in REINSW's research portfolio – including auction results, vacancy rates and median prices – the *Consumer Sentiment Report* will help you to position yourself as the go-to agent in your local area.

All of REINSW's research and data publications are available exclusively to members and can be accessed on the REINSW website at [reinsw.com.au/research](http://reinsw.com.au/research).





# SMOKE ALARMS AND ASBESTOS

The golden rules everyone should know.

There is no safe level of exposure to asbestos fibres. Any home built in Australia before 1987 may contain asbestos.

Breathing in asbestos can cause asbestosis, mesothelioma, lung cancer and death. Asbestos becomes a health risk when asbestos fibres are released into the air and breathed in. A smoke alarm technician relocating a smoke alarm or installing an alarm into a ceiling that contains asbestos is releasing these dangerous particles into the air and onto the floor of your tenant's property. Once exposed and released, it is virtually impossible to clean up.

Smoke Alarm Solutions has conducted inspections on more than 1 million properties, and to ensure the safety of the tenants and their own technicians, they have a very effective Asbestos Management Plan as it affects smoke alarms.

**... never drill, never screw,  
never scrub, never remove,  
never relocate.**

When servicing smoke alarms where asbestos is suspected there are Golden Rules which must be adhered to – never drill, never screw, never scrub, never remove, never relocate.

#### Training required

As a property manager, you should never let untrained people service smoke alarms where there is a chance they will disturb asbestos. It is extremely difficult to identify asbestos, and there are simple tests which must be conducted before disturbing the ceiling material. As you read this paragraph

it is highly likely that asbestos is being released into tenants' homes right now by untrained smoke alarm technicians.

You are urged to review your smoke alarm servicing system to ensure that you are not responsible for exposing your tenants to asbestos fibre.

Smoke Alarm Solutions services close to 200,000 Australian rental properties and over 4000 real estate agents. Every technician is not only highly trained in ensuring smoke alarm compliance, but also in asbestos safety. They are trained to identify asbestos risk and have documented and proven methods for dealing with smoke alarms in properties that may contain asbestos

#### Two years for one offer

Until 31 July 2013 Smoke Alarm Solutions can reduce the cost of servicing smoke alarms by up to 50 per cent with their exclusive two years for the price of one year offer. They will take over any existing contract for free and not charge anything until the current service expires – landlords pay nothing more and can save up to 50 per cent. And your tenants are protected by not having asbestos released into their home by untrained technicians.

Smoke Alarm Solutions can come to your office, meet with your team and explain all your responsibilities in regard to smoke alarm compliance and how to avoid endangering your tenants with asbestos.

**CONTACT LAUREN BEARE ON 0434 511 648 OR EMAIL  
SERVICE@SMOKEALARMSOLUTIONS.COM.AU**



BY ROD STOWE, NSW FAIR TRADING COMMISSIONER

# Name and shame

What are the top complaints to NSW Fair Trading against agents and how can you avoid them?



Consumers are not backward in coming forward with complaints against real estate agents.

I'm sure every agent in the state has at some stage in their career had to deal with the ire of a disappointed would-be homeowner who missed out on the property of their dreams and has decided the agent was at fault in some way.

So far this year, Fair Trading has received over 320 complaints involving property purchases and sales. Given there are approximately 2,700 real estate agencies in NSW, the high number of complaints is of some concern to us.

## 1. Misleading information

On top of the list of gripes are allegations of misleading advertising or information in relation to an advertised property. Sometimes the complaint involves something as obvious as a wrong suburb; for example, listing the house in a more valuable neighbouring suburb.

Other complaints involve misleading photos, including power lines airbrushed out of existence, water glimpses added to a horizon or a cosy fire ablaze in a fireplace that hasn't had a chimney since 1970.

“

So far this year, Fair Trading has received over 320 complaints involving property purchases and sales.

”

## 2. Vendor instructions

Second on the list of gripes are those coming from vendors, mainly over sales agents failing to carry out the vendor's instructions. There are also a number of allegations of poor performance in relation to the marketing of listed properties.

## 3. Mismanagement of leased properties

The third highest category of complaints deal with allegations of mismanagement of leased properties by managing agents, including failing to carry out periodic inspections as required under the terms of their management agreement and failing to carry out accurate exit reports. Ensure you complete your contractual obligations to avoid complaint.

4.

## Material fact disclosure

Fourth on the list are complaints over agents failing to disclose material facts that may influence a person in their decision to purchase. Details property agents do not always disclose to potential buyers range from a pending high-rise development next door, to a gruesome murder in the house's history.

5.

## Contracts

Lastly, allegations of listing agents failing to enter into a formal agreement with a vendor and/or failing to ensure the agency has a copy of the sales contract available in the office are commonplace.

Ensuring full compliance with the *Property Stock and Business Agents Act 2002* and establishing good management strategies when it comes to clients' expectations mean an agent has much less chance of making it onto our complaints ledger.

However, communication also appears to be a big factor in many of these matters. An agent's reputation in the suburbs he or she operates in can be their most valuable asset. Agents should avoid putting that reputation at risk in the quest for a quick sale. ♦





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BHR Director Reece Coleman believes his experience as a property investor sets him apart from his competitors.

BY REECE COLEMAN, DIRECTOR AT BHR

# Walking the walk



I grew up in a family of property investors, so I owned my own property by the time I was 17. That was my entry into the real estate industry.

However, my career began in accountancy. I then undertook marketing and sales roles in tourism and the media before my interest in property development led me back into real estate.

Despite the glamour we have had working with some celebrities through BHR, one of the first things I tell new agents is that you can sell as many properties in a Volkswagen Golf as you can in a BMW. The best thing I tell all of my agents is take the money you would

spend on a new car and put it into training and education.

Training is part of our culture. I would recommend that everyone starting out get a coach or a mentor. The good thing about real estate agents is they are always happy to have a chat. Go to the next suburb or town and ask any agent there how did they get started? I actually mentor an agent out of the city through the REINSW Mentoring Program.

You get the bulk of your business through your network, so how you build your numbers and nurture these relationships is more important than putting an ad in the paper. Of course, it's also important to let clients

and contacts know of your success.

It is essential that you get to know your area. Young agents in particular need to know every house in the suburbs they service and their values. You become an expert through research.

Finally, it is important to keep a balance in your relationship with your clients.

We get our younger agents to slow down and understand that selling your home is about a life change, so for every property you sell there's a life-changing event behind it, such as getting married, divorced, having a family or starting a new job. ♦

“  
Training is part of our culture. I would recommend that everyone starting out get a coach or a mentor.”

## KEY LEARNINGS

**Do not get distracted by shiny things**  
You can sell as many properties in a Volkswagen Golf as you can in a BMW.

**Learn to say 'no'**  
If you say 'yes' to everyone it means you have less time to do the work well.

**Challenge your goals**  
If your goal is to sell 20 properties in your first year, what do you have to do to sell 30?

**Get a mentor**  
Approach a non-competing agent from a nearby town or suburb and pick their brains, or why not sign up to the REINSW Mentoring Program?

**You are in competition, not in isolation**  
Get to know your competition, but be aware of your point of difference.



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ROSS HEDDITCH

# innovative ideas

The *Journal* gathered together some leading real estate figures to discuss innovation in the industry and the benefits it brings.

BY JILL PARK

Real estate is undoubtedly an innovative industry. Whether it is the implementation of forward-thinking practices for the running of agencies or the adoption of new technologies to better communicate with clients, innovation is integral to every aspect of the business of real estate.

That is why the *Journal* decided to make innovation the centre of discussion when gathering together some leading members of the profession this month.

At the table were: Leanne Pilkington, General Manager of Laing+Simmons, whose company has recently undergone a rebrand across its franchise network; Charles Tarbey, Chairman of Century 21, who recently sold his Property Mogul app around the world; and Jones Lang LaSalle COO Adrienne Revai, whose company has just celebrated a year of operating in an Activity Based Working environment.

The discussion touched on the topics of innovation across business, technology and marketing.



**ADRIENNE REVAI**  
CHIEF OPERATING OFFICER  
OF JONES LANG LASALLE

Adrienne has worked at Jones Lang LaSalle in various capacities and in her current role as COO oversees the operations of the Australian arm of the business.





**CHARLES TARBEY**  
CHAIRMAN OF CENTURY 21

Charles owns the Australasian arm of Century 21. He has written two books about real estate and regularly features on Sky News as a property commentator.

**LEANNE PILKINGTON**  
GENERAL MANAGER  
AT LAING+SIMMONS

Prior to joining Laing+Simmons, Leanne worked as Shopping Centre Manager at Jones Lang LaSalle.



## PROCESSES

**Q. What impact has technology development had on your business?**

**Adrienne Revai (AR):**

Technology is absolutely integral at Jones Lang LaSalle because we are very much in the business of information. A lot of our clients rely on us to manage information for them. Mobility and technology is important.

**Charles Tarbey (CT):** We've tried to create systems that simplify everyday processes to give the salespeople the opportunity to enter the client's details, and then trust the admin team in the office to take care of the process from there.

“ I think people judge the level of service you provide them by the level of service they get in general in life, not just in real estate. ”

## WORKING PRACTICES

**Q. Adrienne, it's one year on from the introduction of Activity Based Working at Jones Lang LaSalle. Has the experiment worked?**

**AR:** We don't have any assigned seating. We have home zones so you know where to go and where to find people, but you can pick where you want to sit. That forces much greater collaboration as you choose to sit next to someone because you're either working with them or alternatively because you haven't seen them for a while. We tend to have a lot more of those water cooler conversations that I think are really good in terms of enabling innovation.

**Q. Many debate whether there is still a need for shopfronts in the residential sector. Would you ever consider getting rid of your street-level premises?**

**Leanne Pilkington (LP):** Some areas still have that village atmosphere and many agents feel it's important to have that shopfront, but no I don't think people have to have one. It does serve as advertising, letting people

know that you are there, so without one you do have to look at other ways to be out there in the community.

**CT:** If you want to set up a real estate office in a suburban area, I think you've got to be visible. In Australia there are still a lot of sellers who want to walk past a real estate window and see their property and there are still a lot of people who don't surf the internet that love looking at real estate shopfronts. I wouldn't put a shopfront upstairs in a country town, as that would be telling everybody that you are not interested in them.

**AR:** I do think people like to identify with your brand with some physical, solid presence. I don't think our clients are ready to say they'll deal with someone who is sitting at home or could be sitting at the beach. I think they want to know that they can come and have a proper meeting with you.

**CT:** If I had a preference, I would have hundreds of branded shopfronts, so the consumer gets marketing impressions of the brand every time they drive past.

## INSPIRATION

**Q. What industries outside of real estate do you look to for inspiration on how to do things differently?**

**LP:** For us, it's about looking at other customer service industries. I've just finished a book called *Delivering Happiness: A Path to Profits, Passion and Purpose*. It's fantastic. It's a really interesting read about employee engagement and customer service.

That's the kind of thing I try to take inspiration from. I think people judge the level of service you provide them by the level of service they get in general in life, not just in real estate.

**CT:** I'm blessed in that regard. C21 operates across 73 countries. We meet every six months around the world over the course of a week. Each country presents and we go through all the strategies; where they are, where they are up to, so there's a cross fertilisation of ideas and concepts.

**AR:** I think we're heavily influenced by what other financial services firms do.



## SOCIAL MEDIA

**Q. Have you embraced social media in your companies? What has been your experience with the technology so far?**

**LP:** We have a social media consultant that we work with and we also have content providers that help us write various articles and things that are relevant to not just Laing+Simmons as a whole, but individual regions.

Some of our offices work with Facebook and Twitter really well and some don't do it at all, so there's a huge gap. I think it works better for some areas than it does in others, because some areas have a better sense of community and are engaged with the local community, while others are not as community minded. For me, it's still a bit 'watch this space'.

I couldn't say that we have a big return on investment via social media, but it does provide an avenue for people to make complaints that sometimes are valid and sometimes are not. So it's been interesting as a company, feeling our way and learning how to manage the issues that can arise through social media.

**CT:** I think the first golden rule from our perspective is to never listen to what the industry has to say about you [on social media]. Then you start focusing on the wrong areas of social media marketing. It's always been about what the consumer thinks of my organisation. We've got a checklist for it, we set the page up for them, we watch the content, and we provide them content.

On a daily basis you'll notice there's a lot of C21, stuff as we feed a lot of stuff down to them.

The hardest thing for Leanne and I is getting the franchises to embrace the hard work we do at a corporate level.

**LP:** They do have to add to it themselves. Because if they are not having their own voice in their own community, then they are not connecting with their local community. So, as much as Charles and I would like to drive everything from a corporate level, it can't all be from a corporate level.

**CT:** My job is not to decide what size business Century 21 franchisees have, it is to provide a platform and let them grow their business to the level

they want to grow it. I'm not going to push them to it, but social media is done through them and for them.

**AR:** If we're looking in the recruitment space then we are using LinkedIn and Twitter, but we also use the traditional methods of emails and print adverts and external and internal recruiters.

**LP:** LinkedIn is becoming much more effective, isn't it?

**AR:** It is and I'm often surprised because I hardly ever go in to my own profile and you forget that people actually write to you.

You should go in once in a while so you don't seem rude. I'm amazed that people go in and look. I know that certainly people in different areas and younger people use it a lot more. I do go and check people out on LinkedIn. It has become an amazingly useful business tool.

We had a global JLL Twitter account, now we've got an Australian one because people are interested in hearing what's going on in JLL Australia. You just have to keep with the times.

## INNOVATION

**Q. Is the industry innovative enough?**

**CT:** If you look at some of the other industries involved in sales, whether you look at white goods or cars, I don't believe they have come anywhere near developing the technologies the real estate industry has developed to sell its products.

The Property Mogul game is designed to get them involved. It actually shows them how to get involved, manage a property, get an agent, how to get a home loan...

The second phase of it now is our Facebook and social media marketing campaign as there are now prizes. I'm sure it will pay dividends down the road. ♦



**Check out the July digital edition of the *Journal* to watch the video of our discussion and to view behind-the-scenes pictures of the cover shoot.**





BY DOUG DRISCOLL, CEO OF STARR PARTNERS

# Delegating work works

Calling all leaders: Do you struggle with time management? Do you feel stressed and overloaded? If so, then you may need to brush up on your delegation skills.

Let's face it, if you work on your own, there's only a limited amount that you can achieve, however hard you work. One of the most common ways of overcoming this limitation is to learn how to delegate your work to other people.

The ability to delegate is a fundamental skill required by leaders, yet it is one that is rarely mastered. Delegation is about achieving results to a specified level of performance by empowering and motivating others to carry out tasks for which you are ultimately accountable.

## What to delegate?

All too often, we hear of leaders who dump tasks on staff purely to create time for themselves. This is clearly not the approach you should be adopting.

Of course, there will be tasks which, for reasons such as procedure, legality, confidentiality and so on, will remain yours.

Try to delegate tasks which recur, so that the initial time spent in the delegation process pays dividends in the long-term. Try not to delegate tasks which are a mixture of odds and ends. Your staff will find work far more interesting if they can see projects from start to finish.

## Who to delegate to?

Once you have decided which of the tasks you'd like to delegate, you need to decide upon the most appropriate person to give them to. Match the tasks to the person.

## When to delegate?

Opportunities to delegate occur regularly. For example: when your workload is excessive; following performance reviews; when preparing your staff for promotion; when your staff need motivating; or when there are changes in processes, products or personnel.

**“The ability to delegate is a fundamental skill required by leaders, yet it is one that is rarely mastered.”**

## Exercise patience

It is very easy to get frustrated, as initially your staff will take longer than you to complete tasks. But if you have chosen the right person, you will find that they will quickly become competent and reliable. ♦



## DELEGATION CHECK LIST

It's useful to bear the following points in mind when you're about to have a delegation conversation. Treat these as the ground rules of delegation:

- Discuss the effect on staff workload
- Explain the reasons
- Describe the task fully
- Test their understanding
- Discuss process
- Discuss and agree any training required
- Discuss and agree progress review stage dates
- Agree the deadline
- Express confidence in their ability
- Check how staff member feels about new responsibilities

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# On the trail

BY BRETT HUNTER, GENERAL MANAGER OF RAINE & HORNE TERRIGAL - AVOCA BEACH

Brett Hunter shares his experience of his 10-day trek along the Kokoda Trail, following in the footsteps of his grandfather.



Photos left to right: Brett Hunter (left) and Chris Hines on the track; Brett Hunter with a Fuzzy Wuzzy Angel, who helped carry wounded on the trail in World War II; Brett Hunter with a US liberty bomber propeller in front of the crater it created when it crashed in the jungles of Kokoda.

The trek was a wonderful, emotional and physical experience that brought me closer to the sacrifices our grandfathers made to ensure our freedom.

Our trek involved other agents from around the country, all leaders in their area — sharing ideas and their enthusiasm for Australian real estate. Discussions on the trail ranged from auction tactics to technology, listing techniques and team management.

As a team we raised in excess of \$5600 for the Salvation Army in PNG, and another \$5300 for the Kokoda Fuzzy Wuzzy Angels, who helped carry wounded to safety along the trail during World War II. We even met a man believed to be the oldest living Angel.

The trail entailed trekking through knee-deep mud, chest-high water crossings, vine-suspension bridges and tropical rain from 2pm each afternoon. We were accompanied by two Australian ex-servicemen who led an ongoing discussion of war and the sacrifices of Australian diggers in the region.

After the trek, our team attended the dawn service at Bomona Cemetery in Port Moresby, where over 3000 gravestones of Australian soldiers glistened white in the dawn light. Many of the gravestones are engraved with 'known only to God'.

Our team of agents was honoured to be invited to the gun-barrel breakfast at the Australian Embassy. ♦

“ Discussions on the trail ranged from auction tactics to technology, listing techniques and team management. ”

## DONATIONS

The team raised \$5600 for the Salvation Army in PNG and another \$5300 for the Kokoda Fuzzy Wuzzy Angels and are still accepting donations via their website: [give.everydayhero.com/au/team-agentsvskokoda](http://give.everydayhero.com/au/team-agentsvskokoda)

Agents from across NSW came together in May to trek the Kokoda Trail for charity. These agents included:

**Brett Hunter**  
Raine & Horne Terrigal — Avoca Beach and Raine & Horne Erina Commercial

**Jason Maxwell**  
Raine & Horne Newcastle, Stockton

**Chris Hasson**  
Raine & Horne Nelson Bay

**Zac McHardy**  
Raine & Horne Chermside

**Daniel Hayes**  
Hayeswinkle (Geelong)

**Chris Hines**  
Unrealestate Coffs Coast

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BY CHRIS RUMORE, SENIOR PARTNER AT COLIN BIGGERS & PAISLEY

# GST basics for your agency

What every agent should know about GST and how it affects the running of their agency.

Almost every transaction involving the operation of a real estate business has GST consequences.

If an agent incurs an expense, the agent must make it clear whether the agent is acting on behalf of themselves or the client.

**“ Agents need to understand that any service provided for a fee is subject to GST. ”**

## Common law

If the real estate agent discloses that they are only acting as a common law agent for the client, then the agent is liable for the GST and gets the input tax credit on the taxable supply. The agent incurs no GST liability in those circumstances.

In the document issued by the Australian Taxation Office (ATO) headed “Property and Construction Industry Partnership”, section 14 states that a reimbursement to a real estate agent by a client is considered by the ATO to occur where the agent is

compensated exactly for the expenses incurred.

It is prudent for agents to ensure that their agency agreements make it clear that the agent will incur costs as a common law agent for the client.

Charges for services provided by a real estate agent in the furtherance of their enterprise are subject to GST.

## Inclusive or exclusive

The agent’s agreement must make it clear whether the charges from the agent are inclusive or exclusive of GST. The implication if nothing is stated is that the fee will be GST inclusive.

Agents need to understand that any service provided for a fee is subject to GST. This includes not only sales commissions and letting fees, but also fees for lease preparation, administration, negotiating a transaction, supplying valuation or market appraisals, and general report fees.

However, there is no taxable supply where no fee is charged. A complimentary service will not be a taxable supply.

Agents need to appreciate that the GST status of the property or of the client is irrelevant to the services provided by

an agent who is providing a taxable supply.

Agents need to be aware of the general GST consequences of transactions that they are involved in, so that they are not embroiled in a dispute as to who has the liability for or the calculation of the GST.

If an agent or auctioneer makes a statement about GST, they must check their facts before they do so. An incorrect statement can leave an agent or auctioneer liable to a claim for negligent misrepresentation where this statement is proved to be incorrect.

## Overseas interest

The notion that GST is not payable because an overseas interest is involved is not correct. GST is only inapplicable where the service is not “connected to Australia”.

Finally, if an agent sells their business, normally the going concern exemption will apply. This may not be the case where the agent runs a number of different enterprises under the one real estate banner by the one company. If only part of the business is sold, but the remainder is retained by the agent, the going concern exemption may not apply if all things needed for the sold business do not pass to the purchaser. ♦

## GST 101

The three general principles for agents to remember with respect to GST are:

1. Where a tax supply is provided for a fee by an agent, GST will apply.
2. Where an agent incurs an expense, they must make it clear whether they incur an expense on behalf of themselves or the client, so they do not assume the GST liability.
3. Care must be taken by agents as to representations to parties with respect to GST consequences of a transaction.

**Check out the August edition of the *Journal* for the second in our series of GST articles, focusing on GST and transactions.**



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# Tag team

BY JILL PARK

How can you get the most out of your relationship with your auctioneer?

“Going once, going twice, last call — sold.”

If only all auctions were this simple. You turn up, all the bidders bid, and the sale price exceeds the reserve. However, it takes a lot of work behind the scenes to achieve such an outcome. A good relationship between agent and auctioneer is key.

So how can you ensure you get the most from the relationship with your auctioneer? The *Journal* talks to auctioneer David Gray and agent David Nolan to get their advice on how best to manage the auctioneer-agent relationship before, during and after auction.



David Gray auctioning at a charity event for Catholic Care, held at Parliament House in NSW.

## Q&A

DAVID GRAY

Auctioneer at Auctionworks

### Q. What information do you require from agents in advance of the auction?

I have a set of questions that I ask:

- How is the campaign going?
- How many buyers are they looking to register?
- What have the offers come in at?
- What does the agent think the property is worth?
- What is the reserve price?
- What is the lowest bid they will accept?

We can then design a strategy around the vendor bid. This information makes me 100 per cent prepared to know how to handle the auction.

### Q. How do you read the audience during the auction?

It is all about body language, buyers' personalities and the way they conduct themselves. A great auctioneer will be able to build quick rapport with the audience by their presentation, knowledge and the way they conduct the auction.

It is then the auctioneer's job to understand that all buyers are different and to be able to handle each buyer individually to get the best price.

For example, knowing when to raise the tempo, calling the property, creating pressure and use of silence.

Nervous buyers can be fairly easy to identify. Some things to look out for include: Are they fidgety? Do they have their bidder card ready? And, watch the emotions of their partners. They often give them away. Also, before the auction, are they pacing up and down?

### Q. Two big tips for sales agents during the auction?

**1. Concrete feet.** One of the biggest things inexperienced agents do is what I call 'concrete feet'. This is when they stand next to you and do

not move during the whole auction. Good practice is for the agent to move around the crowd and talk to people.

**2. Break rapport.** Often agents can stand between the auctioneers and the buyer, breaking your line of eye contact with the bidder so you lose rapport and rhythm. The agents should come up behind the bidder to talk to them to avoid this.

### Q. How important is it to have a good relationship with the sales agent?

All agents work differently. It's about getting to know your agent, their style and what they like from their auctioneers.



## DAVID NOLAN

Director at Webster Nolan  
Real Estate

### Q. What do you do if the property information changes before the auction?

We are very careful to make sure that if there has been anything come out during the marketing campaign that is critical, and as a result there are amendments to the contract, then the bidders are made aware of this as soon as possible. We also instruct the auctioneer to make an announcement before the auction starts. We do not assume anything.

### Q. What is the agent's role during the auction?

You liaise with your clients, potential bidders and the auctioneer during the auction. I think a lot of agents can get too anxious and too overzealous in convincing people to bid and I think it can put people off. There's a fine line between convincing someone to bid and driving someone mad.

If the bidders are a long way away from the end result we

let them know that. If they are very close to the reserve then we may encourage them to increase their bid. I always say that an auction is like a game of football. The best-laid plans can change very quickly so you have to think on your feet.

### Q. Is it important to have a good relationship with the auctioneer?

I think a lot of agents and auctioneers do not have good relationships. I don't believe agents understand the importance of the day whether the property sells or does not sell. Agents tend to rely on the auctioneer to be a magician.

We like to have our auctioneer fully briefed as if they are part of the sales team.

### Q. What makes a great auctioneer?

A great auctioneer is someone who understands the product and the psychology behind why auctions work. They understand the instructions they are given by the agent, they relate well to the vendor and can make an audience comfortable when they bid.

“

I always say that an auction is like a game of football. The best-laid plans can change very quickly, so you have to think on your feet.”

”

They are not there to challenge Seinfeld as a comedian, in fact, quite the opposite. They are serious, yet calm and engaging, with a little humour at hand if the situation requires.

They should also take a hint from Willie Nelson: “know when to hold them and know when to fold them”.

There is nothing worse than an auctioneer banging on when the situation has become lifeless. This can actually damage a property's value and put the buying public offside.

### Q. What advice would you give to young agents going to their first auction?

If I was a young agent, I would seek out a senior auctioneer and ask them as many questions as I could.

The questions they should be asking: Why auction a property and what are the benefits to my client and to me as an agent? I would then watch the auctioneer in action and study what was happening in the crowd.

You can also learn a lot from watching the audience.

### Q. Are auctions always the best option?

Win, lose or draw, the actual day of the auction should not always be the prime focus. That is why auctions can get bad publicity, because if it does not sell under the hammer, people cry failure.

When in fact it can be quite the opposite and the serious negotiations can begin with the serious parties who have been identified during the auction marketing period. ♦



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# Training calendar



## Real Estate Licensing Course — commences 7 Aug

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## AUGUST 2013

**5 - 8 Aug • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**6 Aug • SYDNEY CPD**  
WHS for Principals – Legislation Overview  
(9.30am–1.30pm)

**7 Aug - 31 Oct • SYDNEY**  
Real Estate Licensing Course  
(2 days per week for 13 weeks)  
(9.30am–4.30pm)

**9 Aug • SYDNEY CPD**  
Prepare for Selling Like Never Before  
(9.30am–1.30pm)

**12 - 15 Aug • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**13 Aug • SYDNEY CPD**  
WHS for Property Managers – In Practice  
(9.30am–1.30pm)

**19 - 22 Aug • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**20 Aug • SYDNEY CPD**  
Maximise Your New Management Success Rate  
(9.30am–1.30pm)

**26 - 29 Aug • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**27 Aug • SYDNEY CPD**  
An Agent's Guide to Tax and Property Investment  
(9.30am–1.30pm)



## WHS for Property Managers – Legislation Overview — 17 Sep

**Sydney CPD** Find out about the updated work health and safety laws, how they affect you as a property manager and what your obligations are. WHS expert Melissa Doran covers everything you need to know in this half-day session to help you understand your responsibilities and ensure WHS compliance.

## SEPTEMBER 2013

**2 - 5 Sep • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**3 Sep • SYDNEY CPD**  
The Nuts and Bolts of the Residential Tenancies Act  
(9.30am–1.30pm)

**6 Sep • SYDNEY CPD**  
Creating Impact and Influence  
(9.30am–1.30pm)

**7 - 28 Sep • SYDNEY**  
Certificate of Registration Course (part-time)  
(4 consecutive Saturdays)  
(9.00am–5.00pm)

**9 - 12 Sep • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**10 Sep • SYDNEY CPD**  
The A-B-C of Compliance  
(9.30am–1.30pm)

**16 - 19 Sep • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**17 Sep • SYDNEY CPD**  
WHS for Property Managers – Legislation Overview  
(9.30am–1.30pm)

**20 Sep • SYDNEY CPD**  
An Agent's Guide to Tax and Property Investment  
(9.30am–1.30pm)

**23 - 26 Sep • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**27 Sep • SYDNEY CPD**  
The D-E-F of Compliance  
(9.30am–1.30pm)

**30 Sep – 3 Oct • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

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# Pick of the crop

At the heart of Australia's food bowl, Wagga Wagga is a burgeoning city with a bright future.

It is often forgotten that during the federation of the Australian colonies, Wagga Wagga was in the running to be the capital of the new nation. A mere two hours away from the eventual winner Canberra, it is home to a population of nearly 90,000.

Wagga Wagga sprawls over the eastern end of the Riverina region. Nestled where the Great Dividing Range flattens to form the Riverina plain, it is positioned on the banks of the Murrumbidgee River, a tributary to the Murray-Darling Basin. A levee protects the city, which sits on the southern bank, from potential flooding.

"The area is a hub for many major cultural, sporting and tourist attractions," said Riverina Division Chair Andrew McLeod of Fitzpatricks in Wagga Wagga.

"The stunning landscape, varied architecture and relaxed style of living are what set the Riverina apart."

The city sits halfway between Sydney and Melbourne. At the heart of Australia's food bowl, the Riverina produces over 25 per cent of the state's fruit and vegetables and is the largest wine-producing region in NSW. Manufacturing, agriculture, transport, meat processing and food production create regular employment opportunities for Riverina residents.

The education and training sector is another key employer, with a TAFE NSW campus, Charles Sturt University (named after the first European explorer to visit the area) and the Airline Pilot Academy located in the area. Wagga Wagga is the home of recruit training for the Australian Army and the Royal Australian Air Force, and specialist training for all three armed services.

Wagga Wagga has a military history. During WWII it was a garrison town with military bases at Kapooka and Royal Australian Air Force bases at

Forest Hill and Uranquinty. It was declared a city in 1946. In 1981 it joined with nearby Kyeamba and Mitchell Shires to make up the City of Wagga Local Government Area.

"Throughout the Riverina Division there is a good mixture of housing, from new estates to older style traditional homes close to the City Centre," Andrew said.

"Affordable property prices make the Riverina a popular choice for first homebuyers, investors and retirees alike," he added.

"Wagga Wagga's quality lifestyle continues to realise population growth and substantial ongoing capital investments, with over \$600 million in private and public projects either underway or on the three year planning/ completion horizon.

"The future looks bright for the Riverina," he added. ♦



“The area is a hub for many major cultural, sporting and tourist attractions.”

## AROUND RIVERINA



Wander down the main street of Lockhart and pop into the many antique shops or stand back and admire the famous deep verandahs protruding from the properties,



Photo credit: Rob Fox.

Temora's Aviation Museum boasts the only two flying spitfires in Australia as well as a host of other historic aeroplanes. Explore the area's Royal Australian Air Force heritage.



Walk through Gundagai to see Australia's oldest wooden viaduct, The Prince Albert Bridge, which was built in 1866.



Charles Sturt University's Wagga Wagga campus spans 640 hectares and includes a campus farm, equine centre, vineyard and winery.



Wagga Wagga sits between the Murrumbidgee River and Great Dividing Range.  
Photo credit: Josh Brett.

## Q&A



**ANDREW MCLEOD**  
Director at Fitzpatricks

Fitzpatricks in Wagga Wagga has had a long-term relationship with REINSW, with one past president on the books. Director Andrew McLeod recently took over as Chair of the Riverina Division and is driving membership within the area through a series of talks from local stakeholders and by providing a forum for the industry to meet.

### Q. Tell us about the history of the Riverina Division.

**A.** The Division was pretty active 10 years ago, but activity tapered off until recently. I took over as Chair two years ago and now we meet once every three months. As REINSW is a professional body, I think the Division needs to be a place where we can meet and share our thoughts and concerns.

### Q. Why do you think it is important to be an REINSW member?

**A.** I encourage people to become members. Being part of a professional body means there is a certain level of accountability and agencies are less likely to do something unethical. From a collective point of view, I think it's important to have a voice. Also, as a Division, we can share information.

### Q. Can you tell us more about your Divisional meetings?

**A.** The meetings focus on what's affecting the area, for example flooding or price trends. We've had a couple of guest speakers, including a councillor and a lawyer, and we've opened up the events to non-member agents so hopefully they become members themselves.

### Q. How has the market changed over the years?

**A.** Having been in the real estate industry for over 25 years, I have seen the Wagga Wagga real estate market go through some dramatic changes over this time. Prices have fluctuated over the years in a predominantly positive way.

Wagga continues to provide an excellent range of properties catering for all needs from inner city to rural lifestyle blocks. It is an affordable market with an average sale price of just under \$300,000. Investors have found the market to provide good steady rental and capital growth returns. Wagga is well underpinned with two military bases, a university and a number of other government departments. ♦

## WAGGA WAGGA KEY STATS

People	89,194
Private dwellings	38,080
Median weekly household income	\$1,022
Median monthly mortgage repayment	\$1,430
Median weekly rent	\$200
Median house price *	\$297,000
Median unit price *	\$239,000
Vacancy rate ^	3.3%

### Source:

Unless otherwise specified, statistics are sourced from 2011 Census.

\* REINSW Property Profile – March 2013; median price refers to Local Government Area

^ REINSW Vacancy Rate Survey – May 2013

## Interested in getting involved in your Division?

For more information, email REINSW at [divisions@reinsw.com.au](mailto:divisions@reinsw.com.au).

# Good citizens

Ray White Byron Bay Principal David Gordon discusses how his agency rewards acts of kindness.



Photos top to bottom: Ray White Sales Associate Michael Gudgeon and Byron Bay Public School Deputy Principal Cheryle Booker and students; David Gordon with winners Abbey and Rocco.

When the team at Ray White Byron Bay realised that their local school was underfunded and needed books, they took the initiative.

Three years ago the company launched its Citizenship Program. Each month, one or two winners from each grade are chosen for being a good citizen. The winners are presented with a certificate and book voucher to the local bookshop.

“The Deputy Principal brings the students down to Mary

Ryan’s book shop, where we meet them and they choose a book for themselves and a book for the school library,” said Ray White Byron Bay Principal David Gordon.

“The students love the idea that the prize they have won enables them to give a book back to the school library as well as allowing them to take one home.

“I heard of other agents doing similar things through a conference that I went to a couple of years ago and after

speaking with the school Principal we identified that helping children to read and rewarding good citizen behaviour would be the best way to go,” he said.

According to David, it is important to the agency to support the local community to say ‘thank you’ for their support over the years. Staff are encouraged to get involved and give back as much as they can.

“How can you live in paradise and not show your gratitude,” David added.

“Even if you can’t give financially, it costs nothing to give your time.

“My advice would be to always get involved in a program instead of just giving a donation. Structure the program to run efficiently and with little effort on a monthly basis,” he said.

“We pre-purchase a year of vouchers and print out the certificates in our office. Once a month we attach the vouchers to the certificate and turn up at the school assembly to give them out.” ♦

## YOUR STORY

We want to hear your stories!

If you, or a member you know, supports a charity, you can share the story in the ‘Last Word’. Email the editor at [jill@mahlabmedia.com.au](mailto:jill@mahlabmedia.com.au).

## AROUND THE STATES

### QLD

Brisbane has made it onto CBRE’s top 10 list of places with the most expensive retail rents in the world. Brisbane’s economy has been supported by mining and the natural resources sectors, which has led to population growth and pushed the city up two spots to ninth place and into the top 10 for the first time.

### VIC

Victorian sales agent Paul Osborne of Secret Agent in Melbourne has accepted his first customer payment using the virtual currency Bitcoin. Currently Paul only accepts payments of below \$10,000 in Bitcoin. “In a world that continues to trend towards further globalisation, Bitcoin makes for an interesting currency that can be used over borders with little or no transaction costs. The early adopter demographics are embracing this currency. It will have challenges moving forwards, so we will use with caution,” he said.

### SA

New legislation has been passed in South Australia which requires agents to give a single figure as opposed to a price range when advertising a price for a property to be auctioned. Deputy Premier John Rau said: “The changes mean that if a price for property to be auctioned is advertised, the buyer will know what the vendor is willing to accept. Importantly, this eliminates the shoddy practice of under-quoting, which is used by some agents.”

### WA

New data from the 2011 Census revealed that Western Australia recorded four of the top five most advantaged LGAs in Australia with Peppermint Grove identified as the most advantaged LGA in the country. Australia’s most disadvantaged LGA was named as Yarrabah in Queensland. ♦



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