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REAL ESTATE

# Journal

JUN 2013  
VOL 64/05



## flying colours

**A guide to successfully  
navigating the financial  
year ahead**

### **Caught on film**

Your toolkit for real  
estate videos

### **Baby boom or bust**

Is the property market  
prepared for an ageing  
population?

### **City lights**

The Newcastle revival

**Introducing the new  
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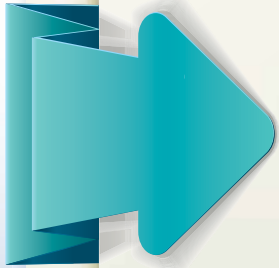
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30-32 Wentworth Avenue  
Sydney NSW 2000  
(02) 9264 2343  
info@reinsw.com.au  
www.reinsw.com.au

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**Managing Editor:** Martin Wanless

**Editor:** Jill Park  
jill@mahlabmedia.com.au

**Head of Client Services:** Roslyn Atkinson

**Sales Director:** Sara Lewis

**Advertising Executive:** Giuseppe Mangione  
giuseppe@mahlabmedia.com.au

**Designer:** Katherine Gennusa

**Cover and feature photography:** Studio Commercial

**REINSW Managing Editor:** Cathie Dickinson

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McGrath Lower North Shore  
Managing Director Dean  
Mackie discusses the financial  
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Good people to know.



## PRESIDENT



# Budget anticipation

The upcoming NSW Budget is set to be an interesting one. In the lead-up to its release on 18 June 2013, REINSW has been calling on the NSW Treasurer to reinstate first homebuyers' incentives for the purchase of existing properties.

We have also asked the Government to explore additional opportunities to assist first homebuyers to take their first step into the property market.

The NSW Treasurer must act now to restore balance to the property market and we will continue to lobby the Government until the situation is rectified.

### Awards for Excellence

Entries for the 2013 Awards for Excellence close on Thursday, 13 June 2013. Make sure you don't miss your opportunity to be recognised as the best in the industry.

And let's not forget the Awards for Excellence Gala Dinner, which is being held this year on Thursday, 10 October 2013. A great opportunity for networking and socialising, it is always a night to remember.

### Digital age

I'm excited to announce that the *Real Estate Journal* is now available as a web app.

From this month, members will be able to read the *Journal* on a range of digital devices including iPads and Android tablets. With interactive sections and an easy-to-use

interface, it will provide you with an even more enjoyable reader experience.

An email has been sent to all members with a link to the digital edition of the *Journal*, so take the time to have a look at it and let us know what you think. You can also access the digital edition via [reinsw.com.au](http://reinsw.com.au)

### Membership renewal

It's almost time again to renew your REINSW membership, now that the new financial year is nearly upon us.

As a member you have exclusive access to a wide range of benefits and services including the Helpline, REI Forms Live, free webinars, research and data, and much more.

And don't forget that as of 1 May 2013, REINSW members now receive a 40% discount on all Store products as compared to non-member prices.

Membership is now more valuable for your career and your business than it has ever been before, and that value is set to increase even further in 2014.

Watch out for more information in the coming weeks.

**Christian Payne**  
REINSW President

## CEO



# Pushing for planning reform

REINSW has lobbied successive NSW Governments to address the inadequacies of the state's planning system for many years.

In its current form, it is recognised as a complex, inefficient and outdated planning system that is in need of a major overhaul.

### White Paper

In mid April, NSW Planning Minister Brad Hazzard released the NSW Government's *White Paper – A New Planning System for New South Wales*. It follows on from the government's Green Paper released in July 2012.

Over 1500 submissions were received in response to the Green Paper, with additional contributions from around 2000 people who participated in a range of community workshops, forums and online discussions.

REINSW welcomes the proposed reforms in the White Paper. Our policy team is currently preparing a submission on your behalf, which will be lodged before the closing date of 28 June 2013.

The White Paper and the Planning Bill are strategic planning documents, which outline how the NSW Government is going to address strategic planning, infrastructure and development assessments. It will lead the future direction of the state's planning, and the overall look and feel of our towns and cities.

We must get this new planning system right, as it will lay the

foundations for economic growth and development in NSW.

REINSW considers the proposed reforms, outlined in the White Paper, to be generally positive and should result in a more streamlined, transparent and cost-effective approach to planning.

At this stage, much of the detail is at a conceptual level and accordingly more work needs to be done to outline the effects. This is why the next consultation stage — which will take a number of forms including discussion forums, to be held at 17 locations around the state, as well as independent meetings and events — is incredibly important.

A simplified and streamlined planning system will improve industry and investor confidence in the planning system, and will result in better economic performance for NSW across all sectors.

We are delighted that the NSW Government is undertaking this reform process, as it is well overdue and we welcome your input into our submission.

We will continue to update you on this process.

**Tim McKibbin**  
REINSW CEO

THE MONTH IN NUMBERS

31%

The percentage of Australia's GDP generated by the NSW economy according to Business NSW.

\$150m

The reported investment of Harvey Norman in real estate that will include a 12-storey office tower block above its Domayne store at Macquarie Park in Sydney, a six-storey commercial building, a 27-storey hotel and an apartment tower.

6

The Green Star rating of Jones Lang LaSalle's George Street office in Sydney following its renovation into an Activity Based Working office.

High-speed rail system given \$114bn price tag

The Government has revealed its plans for the introduction of a high-speed rail (HSR) network connecting the east coast's capital cities at an estimated cost of \$114bn.

The HSR network would comprise approximately 1748km of dedicated route between Brisbane, Sydney, Canberra and Melbourne.

The preferred route would run through the Gold Coast, Casino, Grafton, Coffs Harbour,

Port Macquarie, Taree, Newcastle, the Central Coast, the Southern Highlands, Wagga Wagga, Albury-Wodonga and Shepparton.

Express journey times between Melbourne and Sydney, and Sydney and Brisbane would take less than three hours under the proposal.

The report estimated that the route could carry approximately 84 million passengers each year and could potentially

increase accessibility to urban centres for regional hubs.

NSW Infrastructure & Transport Minister Anthony Albanese conceded at the press conference for the release of the report that HSR was a mammoth project.

"High-speed rail would be a national transport game changer and ... I am on the record for a long time as being a supporter," he said. "But it won't happen overnight."

Mr Albanese called for the protection of the route to ensure cities and towns do not grow into the preferred route.

"Unless the route is protected now, the growth of cities and towns along the preferred corridor will make the project even harder and more expensive in the future. So I believe route protection is absolutely vital."

Public consultation for the proposal will continue until 30 June 2013.



VOX

Q. What impact will the National Broadband Network have on your business?



**JOHN ROWLAND**  
Director of Williams Machin First National in Orange

"As a regional small business operator, I understand the importance of having access to the best, most affordable, high-speed broadband. The NBN will open up enormous opportunities and applications for my business, like real-time remote property inspections for buyers anywhere in the world, not to mention the time-saving benefits of fast, reliable internet access. And being a father of four young children, I want them to have services that are just as good as everyone else in Australia."



**BRADEN WALTERS**  
Principal of True Property in Erskineville

"The NBN will have little to no effect on my business in the inner city. It will not replace any of the duties that we perform as real estate agents. The only benefit I see would be for the consumers and their ease of access to the information that we provide them. They will have better access to our website with quicker download speeds."



**ANGUS RAINE**  
CEO of Raine & Horne

"The NBN rollout will deliver vastly improved data transmission speeds, and this jump in bandwidth, both in businesses and at home, will give Raine & Horne offices the ability to remotely communicate with consumers on a far greater scale. In addition, it will increase the efficiency of digital connections between regional and metropolitan Raine & Horne offices, and boost the role of our suite of digital products."



# Pressure to incentivise first homebuyers

Lack of incentives is preventing many first homebuyers from getting on the property ladder.



REINSW believes the NSW Government should reinstate first homebuyer incentives to encourage purchases.

REINSW has challenged NSW Treasurer Mike Baird to reinstate first homebuyer incentives for purchasers of existing properties, in the 2013 NSW Budget.

“We are calling on the Treasurer to not only reinstate the first homebuyer incentives that were removed in 2012, but to also explore additional opportunities to assist first homebuyers to take their first step onto the property ladder,” REINSW President Christian Payne said.

“It is not too late for the NSW Government to reverse its decision to abolish from 1 January 2012 the stamp duty exemption/concession and from 1 October 2012 the \$7000 grant for those buying existing properties,” he added, referencing the incentives.

From 1 October 2012, the \$7000 First Home Owner Grant was replaced by the First Home Owner Grant (New Homes) Scheme.

Under the scheme, first homebuyers who purchased or built a new home for not more than \$650,000 qualified for the \$15,000 grant, which will reduce to \$10,000 from 1 January 2014.

The NSW Treasurer will announce the 2013 Budget on 18 June 2013.

Christian believes that it is because of these changes that potential first-time buyers are “sitting on their hands” instead of investing under the scheme.

He pointed to data released on 16 April 2013 by the Australian Bureau of Statistics, which shows that the number of first

homebuyers, as a percentage of total owner occupied housing finance commitments, fell to 14.4 per cent in February 2013, down from 15 per cent in January 2013.

“In removing the incentives on existing properties, the NSW Government has forgotten the important place first homebuyers hold on the property ladder and the huge benefits of their activities across the state,” Christian said.

The April 2013 *REINSW Vacancy Rate Survey* saw a contraction across the Sydney metropolitan area to 1.7 per cent.

“If not remedied, the crisis will continue to have significant negative impacts on the future prospects of NSW both economically and socially,” Christian said.

## REINSW member to sell Baz Luhrmann's Sydney mansion

McGrath Edgecliff's Joe Abboud has been confirmed as the sales agent for *The Great Gatsby* director Baz Luhrmann's Darlinghurst property.

The 30-room Victorian property, known as Iona, was built in the 1880s as a residence for the pastoralist Edward Chisholm.

Luhrmann and his costume designer and film producer wife Catherine Martin bought the property in 2006 for \$10m and are reported to have used it as the Sydney base for their Bazmark film production offices.

Abboud was unable to confirm to the *Journal* the sale price of the property, but newspaper reports have speculated it could reach \$15m.

Luhrmann's latest film, *The Great Gatsby*, was released in cinemas on 30 May 2013.



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REI Forms Live is the only online product that uses REINSW's agreements and forms, which have been developed by industry-leading lawyers to protect your interests.

To find out more about REI Forms Live, please call (02) 9264 2343 (option 3) or email [servicecentre@reinsw.com.au](mailto:servicecentre@reinsw.com.au).

You can register for a two-week free trial at [reiformslive.com.au](http://reiformslive.com.au).

To find out more about REST Professional, please contact the Rockend support team on the telephone number 1300 657 700.



Real estate photographer Saul Goodwin adopted drone technology to take aerial shots of luxury properties in NSW.

## Industry adopts drone technology

Real estate photographer Saul Goodwin took the next step in aerial photography when he started photographing properties using a specially-made drone.

Goodwin's friend Jason Dayman helped him to create his own drone so that he could achieve aerial shots cheaply and effectively.

Dayman has since launched his own business, Ozcopters, on the back of the project's success.

"I started elevating my tripod above my head because I'd go to some properties where I'd need more height. Then I bought a pool cleaning pole and then another."

It was when he discussed the expense of buying a car-mounted pole with his friend Dayman that the idea for a drone camera was spawned.

"It's a little bit more expensive, but you are getting more photos and more angles than someone

who has a pole mounted to their car would be able to get," he added.

Goodwin uses a GoPro camera mounted on a hexacopter.

Byron Bay-based luxury real estate agency Unique Estates has adopted the practice for their high-end listings.

Photographers interested in adopting drone technology to take aerial shots require a licence.

## TOP TIPS OF THE MONTH

### Three ways to earn CPD points

All real estate agents are required to complete Continuing Professional Development (CPD) each year and REINSW CPD programs give you access to a broad range of high-quality, accurate and agency-specific training. Here are three ways to earn your points.

#### 1.

##### Onsite training

We regularly hold CPD training sessions at our Sydney offices. We will also be on the road in June and July, bringing our training Roadshow to a town near you. This is a great opportunity to network with your peers. Find out information on the Roadshow at [reinsw.com.au](http://reinsw.com.au).

#### 2.

##### Online

If you find it hard to leave your office, why not do your CPD training online? We offer training on everything from ethics and conduct, to customer service. View the training schedule at [reinsw.com.au](http://reinsw.com.au).

#### 3.

##### Inhouse training

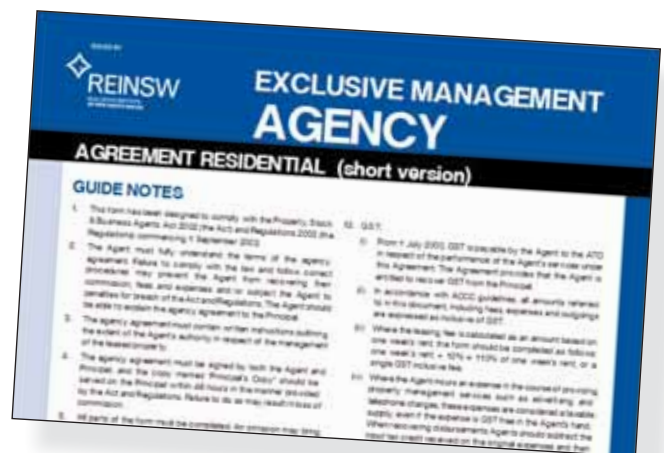
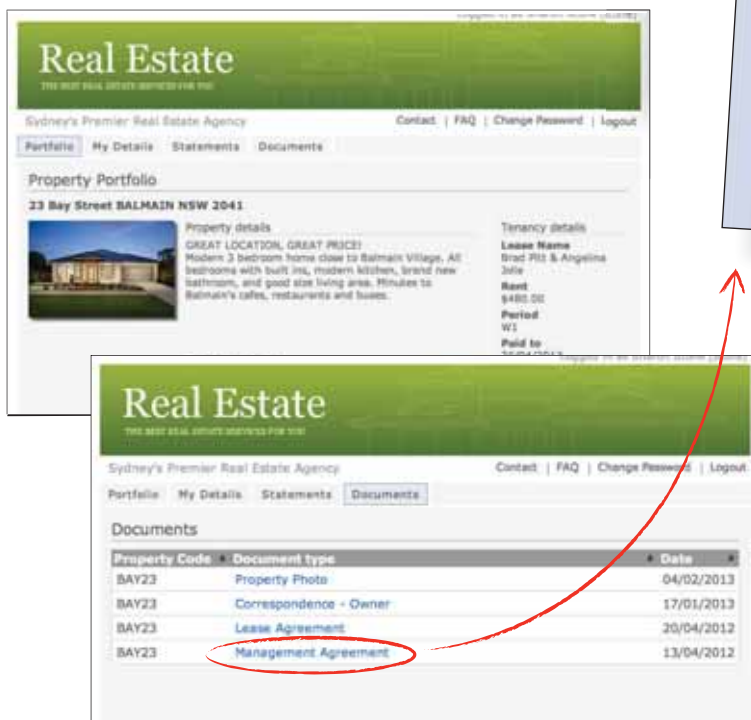
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BY ROD STOWE, NSW FAIR TRADING COMMISSIONER

# Agents beware: rent roll scam

A Victorian rent roll scam has jumped the border into NSW.

I am sure it seems to agents that we are always wagging our Fair Trading finger in their direction. We're either warning them to abide by their licensing requirements, reminding them to behave in an honest and ethical manner, or heralding a crackdown on compliance. Usually our messages are well-heeded, with most agents doing the right thing by their clients.



**Rent rolls are an integral part of most real estate businesses and they are an effective way of ensuring regular and consistent cashflow.**

This month I'm warning again, but this time it is the agents themselves who are in danger of falling victim to unethical practices.

In recent months a Melbourne-based company, Connection Blue Pty Ltd, and its proprietor, Mark William Whittingham, have been sending unsolicited emails to real estate agents in Victoria, advertising rent rolls for sale.

Now it appears Mr Whittingham has expanded his operations across the border to New South Wales.

## Victorian scam

NSW Fair Trading and our southern counterpart, Consumer Affairs Victoria, have received complaints from several agents in both states who say they paid Mr Whittingham for rent rolls they never received. Nor were they able to secure a refund.

In one case, a Victorian agent lost \$135,000 after paying a deposit for a rent roll Connection Blue failed to deliver. Another Victorian agent claims to have paid \$24,200 and one NSW agent appears to have lost \$1000.

In September last year, Victoria issued a public warning over the conduct of Mr Whittingham and his former company, Buy A Trail Pty Ltd, which involved offers of loan trail books for sale to brokers.

## Warning

Last month a second warning was issued over the rent roll scam that is now affecting NSW agents.

Rent rolls are an integral part of most real estate businesses and they are an effective way of ensuring regular and consistent cashflow. I probably don't need to remind agents of the importance of conducting due diligence.



We advise that you consider the following before making a rent roll purchase:

- Check the accounts have been independently audited to ensure the roll's revenue has not been inflated.
- Have your lawyer examine the contract closely to ensure there are no unreasonable conditions.
- Ensure that any money you are required to pay for buying a rent roll is held on your behalf in a solicitor's trust account, rather than any accounts controlled by the person promoting the sale of the rent roll.
- All clients on the roll should have signed agency agreements and check that the bonds have been lodged for all properties.
- Check that the existing inspection reports for properties are recent, and watch out for tenants in heavy arrears.
- Review the complaints register to ensure past complaints have been appropriately handled and there are no unresolved live issues.
- Above all else, in light of the recent scam, always check with the owner that they have agreed to sell their rent roll and have appointed the broker you are dealing with. The broker must hold a current business agent's licence.

*And if Mr Whittingham comes calling, make sure you give us a call at NSW Fair Trading on 13 32 20 or visit our website to find out what you can do to report an issue at [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au). ♦*



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LJ Hooker's CEO believes drawing on a wide knowledge base is the key to business success in the real estate industry.

BY GEORG CHMIEL, CEO OF LJ HOOKER

# Three pillars of growth



My educational and professional background is based on three pillars: technology, finance and strategy. This background has helped to shape my career philosophy, which is that drawing on a broad base of knowledge is the best way to ensure success in business.

Tertiary qualifications in these areas – including an MBA – coupled with experience gained in former roles – like as CFO at REA Group – have given me a solid foundation for my career. I believe it is important to never stop learning, listening and asking questions – there is so much wisdom and work to gain experience from out there. As professionals in the real

estate industry, we draw on the combined skills and experience of our peers and those who have come before us.

No one is expected to know everything, so never be scared to say “I don't know”. Admitting this is the first step toward learning something new.

## Vision

From my experience, in business, those who have vision without execution are dreamers. Those who possess vision and follow up with execution are innovators.

At LJ Hooker, we develop and run with the latest technology and we also have fun with

what we do. For example, our recent collaboration with Mattel's iconic Barbie was actually a very deliberate branding move.

“Those who possess vision and follow up with execution are innovators.”

On a more serious note, in real estate we also do a lot of community fundraising for worthwhile causes. To date we've raised more than \$5 million for the Cystic Fibrosis Foundation. Giving back to the communities that support our businesses is an essential part of being in real estate.

## Learn and adapt

It is important to adapt and never give up; but be prepared to change your approach, even if this falls outside of your comfort zone.

I recently capitalised on my German/Bavarian heritage by becoming a TV presenter for a German real estate program. This may not be part of a CEO's usual job description, but I see this as an opportunity to capture overseas markets.

Real estate can be a tough industry and many lose

motivation when it gets hard. Don't be disheartened.

If you are passionate, believe in what you are doing and love real estate, then there's no other career for you. ♦

1. Never aim for or settle for second best. Doing three things properly is worth more than doing six things half-baked.
2. If you face a problem, don't think you are the first person to solve it; others might have already.
3. Measure every project on what it really does for your customer. Does it generate the extra sale or the extra property coming under your management?
4. Investment in, and respect for, high-quality people always pays off.
5. Maintain a healthy level of paranoia and respect for the unknown, never think you are invincible and always have a plan B.



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# flying colours

## In this election year, what are the big challenges facing the real estate industry and what can you do to tackle them and win?

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Making your way through to the end of the financial year can be a challenge at the best of times. However, as fewer properties come onto the market, it takes a savvy agency to maintain a healthy balance sheet.

This month the *Journal* talks to members of the finance, business and real estate sectors to to find out what they will be focussing on in the year ahead.

We have prompted our experts to focus on the possible impact of the recent Federal Budget and upcoming Federal election, the financial market, which has a strong bearing on the health of the property market, and an agency's approach to marketing. Staff motivation and retention are also key to the success of an agency and were also discussed.

Our experts have widespread experience of the property industry. They have strong views on where they see the industry moving over the coming year and how agencies can respond to the changing economic environment.

National Head of Residential Real Estate at Macquarie Bank Shaun Bassett joins Cushman & Wakefield Managing Director David Woolford and Managing Director of McGrath Lower North Shore Dean Mackie to share their thoughts on how the industry will fare over the coming year and what agencies can do to exceed their targets.

Read on to find out what our experts will be prioritising over the coming year.



“

A big mistake many agencies make is paying for vendor marketing. 'Sold' signs are the best piece of marketing we can do.

”



McGrath Lower North Shore Managing Director Dean Mackie has launched a new lead generating arm to his business to meet the challenges of the industry.

# Q&A

**DEAN MACKIE**  
Managing Director  
McGrath Lower North Shore

## How do you ensure staff retention?

Principals are often competing with their agents. As a non-selling Principal, I come in each day with the best interests of my staff in mind. This gives them confidence in me and in their positions, as my focus is on improving their performance. We operate our business with clear and consistent guidelines, and we spend a lot of time finding out what our peoples' personal goals are so that we can help them succeed.

## Is consumer confidence returning to the market?

I think vendors will get a bit more confident in November/December this year. Last month we had the best month we've had in 15 years. The market is good in certain areas, but right now there's not enough stock. There are a lot of desperate agents around cutting fees, which is a worry. I've seen a few of the agencies go broke or merge into franchises.

## What impact will the Federal election have on the industry?

People tend to sit on their hands in an election year, and the market gets quiet. Generally what happens is that a lot of vendors will hold off on listing properties in the lead up to the election. Some people will still sell, but in the four or five weeks leading up to an election, most will wait. It's almost like a time-out. Then, irrespective of the result, once the election is over there seems to be a big rush and people just want to get on with it. I focus my team on speaking with clients and

getting them ready for sale after the election.

## What advice would you give to real estate agents about setting their marketing budgets?

A big mistake many agencies make is paying for vendor marketing. 'Sold' signs are the best piece of marketing we can do. Where agents go wrong is marketing just for the sake of it. We are moving to activities, which allow us to engage with the client, particularly online.

## Where are you concentrating your marketing spend?

Our main focus is on monthly marketing through our own suburb-based videos. The great thing is people want to watch videos, so we use this medium quite a bit. We also expect each of our agents to invest back into marketing. We plan marketing at a macro level and work with agents to deliver it from a micro level.

## How are you chasing new business?

I have a dedicated lead generation team now, who spend their time on the phone, making calls to people that agents have been speaking to. We put that team in place four or five months ago, and half of them have graduated to other roles in the business. I've hired a call centre specialist to manage them.

Consumer expectations are increasing and our biggest opportunity is how we invest in intuitive systems and technology to support sales processes and investment.



**SHAUN BASSETT**  
National Head of Residential Real Estate  
Macquarie Bank



**DAVID WOOLFORD**  
Managing Director  
Cushman & Wakefield Australia

**What is the financial outlook for Australia in 2013/2014?**

Macquarie research indicates Australian growth will trend lower during the next 12 months. GDP growth of 1.6 per cent is expected in 2013 following 3.6 per cent growth in 2012. This is largely a result of weaker business (mining) investment without other areas of the economy (consumption and housing) improving sufficiently.

**What can businesses do to protect themselves against a changing economic environment?**

If there was a lesson to be learned during the past few years (essentially post onset of the GFC) it is that a sustainable real estate business model is one that is not dependent on a buoyant property market or a bullish economic environment. This has meant a combination of controlling costs within an agency and diversifying revenue lines, from predominantly sales commissions to a greater balance of property management revenue and sales. According to our *2012 Residential Real Estate Benchmarking Report*, property management revenue now equates to 42 per cent of agency revenue nationally, up from 36 per cent in our *2009 Residential Real Estate Benchmarking Report*.

**What are the key trends in rent rolls?**

The average rent roll within an agency has grown from 375 in 2009 to 436 in 2012. In fact, the average 'large' agency within Australia (as denoted by more

than 20 employees) now has on average 1,043 properties under management. Building the rent roll – by increasing the level of contracted and recurring income within an agency – effectively improves the resilience of an agency in light of changing economic environments.

**What is the key to a stable business?**

In simple terms, increasing the fixed cost (expenses less sales commissions, franchise fees and net advertising costs) coverage ratio reduces the reliance on sales income to cover fixed costs within a business. The response by the industry to what have been tighter economic times and a more challenging sales environment since 2009, has been to build more resilient agencies – businesses less susceptible to the ebb and flow of the sales market.

**What can a business do to protect itself?**

Essentially, having a focus on growth within property management (not necessarily at the expense of sales) goes a long way towards protecting a real estate business against a changing economic environment. Outside of this, collecting vendor advertising – where every dollar not collected is a dollar off the bottom line – we see as critical. Finally, being well organised and having the right IT infrastructure in place in the back office will assist with reducing the manual process and responding quickly to changing environments.

**What is the financial outlook for Australia in 2013/2014?**

Interest rates remain at historical lows and confidence should continue to show signs of recovery. On a global scale, the Australian economy continues to perform comparatively well and this holds the domestic market in good stead for the near future.

**What impact will this have on the real estate sector?**

The strength and maturity of the Australian real estate market continues to resonate with both domestic and international investors. Despite the uncertainty that characterised the international investment market in 2012, Australia maintained its status as a global investment target and recorded one of the strongest growth rates for investment in the Asia Pacific region.

This is set to continue in 2013 as international investment demand broadens and Australia attracts an increasing percentage, with our AAA-rated economy stacking up well globally. Sydney in particular is attracting global investment in droves. The city's reputation as a world-class financial centre is growing and developments like Barangaroo should raise the bar even higher. The high yield spread accessible for Sydney assets should draw more capital into the market going forward.

**The Federal election is in September; what impact would a change of government have on the real estate industry?**

Regardless of the election

outcome, we expect that Australia's AAA rating, strong banking sector and the transparency of our market will continue to appeal to offshore investors.

**What can businesses do to protect themselves against a changing economic environment?**

For any organisation, it's the people that are the most important resource. We believe it is critical to invest in the most talented and passionate people and provide them with the systems and tools to empower them to best service the changing needs of our clients.

It is also important to work closely with clients, to understand their needs and the issues they face, and tailor individual services to meet those needs today and tomorrow.

**What advice would you give to businesses when setting their new budgets for the year?**

Business and consumer confidence is showing signs of recovery, which is encouraging, and we believe cautious optimism is appropriate for the year ahead. ♦

**GST EXPLAINED**

Watch out for the *Journal's* two-part feature on GST. Discover how GST affects the running of a real estate agency and the key principles agents need to remember in regards to GST.

# Caught on film

Video is becoming increasingly popular in real estate as a sales and branding tool for properties, agents and agencies.



We've all done it. We've listened to Kevin McCloud give his closing spiel on *Grand Designs* and thought, I could do that. As real estate agents, you do it every day — pinpointing what makes that property special and distilling it down to its essence for your client.

Yet, it's a daunting prospect to follow in Kevin's footsteps and stand in front of the camera.

"The occasional 'um' or 'ah' makes them seem a bit more human," said Gary Freitas, Creative Director of real estate video specialists Lightbox Films.

The cost to produce these videos is surprisingly low, coming in under \$500 per video on average. Some agents foot the bill themselves, but

often the cost can be transferred to the vendor.

On average professional shoots take between 1-2 hours — an insignificant amount of time when you consider the benefits video can bring to your listing.

For example, video can help boost the Google ranking of your listing. Gary gave an anecdotal example of a client that left a listing online after the property had sold, purely for marketing purposes.

"We find that a lot of agents, when they complete a video, go online and tweet about it," said Gary. "This is a great way to create a viral campaign."

Residential and commercial property videos differ.

"In the commercial sector nobody knocks back a property because of the 'feel' of the kitchen. In commercial it's the hard facts that will sell that property," Gary said.

"The reality is a lot of the buyers for these properties are solicitors, executives, developers etc ... people who are time poor and cannot leave the office to meet with agents."

Increasingly, agencies are using video for suburb profiles or market updates that give clients an extra insight into the area they are buying into.

However, whether you focus on the pool or the park next door as the key selling point, videos have to grab the viewer within the first three seconds. ♦

## PRESENTER TOOLKIT

### Chat with vendor

Have a conversation with the vendor before you turn up for filming. Find out what drew them to the property in the first place and why they loved living in the area.

### Plan a route

Decide in advance what route you want to take through the house. This gives the video director a clear plan of action for the shoot and will help you when putting together your presentation.

### Identify key selling points

List the key selling points for the property and have an idea of how you would describe these features.

### List adjectives

There are only so many times you can say 'fantastic' in one video before it gets repetitive. Come armed with an arsenal of adjectives and phrases that describe the key features of the property.

### Read lines backwards

Professional presenters will often read their lines in this way so as to prevent them anticipating, and stumbling over, certain words.

### Identify your audience

Choose your language to suit your audience and maintain a professional tone.

# 2013 REINSW Awards for Excellence



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For details about how to enter and to view the entry criteria, go to [www.reinsw.com.au/2013Awards](http://www.reinsw.com.au/2013Awards)

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### More information

Email [excellence@reinsw.com.au](mailto:excellence@reinsw.com.au)



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# Ageing gracefully

BY JILL PARK

As the population ages, is the NSW housing market prepared to cater for its property needs?

The population of 65 to 84-year-olds in NSW is predicted to grow by 97 per cent between 2006 and 2036 to 1.59 million. There has been speculation in the media that many are choosing to downsize their homes, but is this true, and how is the property market catering to the changing population?

According to the *Downsizing Amongst Older Australians* study published in 2012 by the Australian Housing and Urban Research Institute, there is no conclusive evidence that people are downsizing, of the demographics of downsizing or the type or size of housing into which they move.

There are a number of property options available which are specific to older buyers. Strata properties for over 55s offer residents the benefit of limiting the minimum age of other tenants, but not everyone is keen to commit to ongoing strata fees.

On the other hand, there are approximately 595 retirement villages in NSW, accommodating more than 36,000 residents according to NSW Fair Trading. However, it can be hard for some people to give up their independence and move into this type of property.

## Supply and demand

A study by Jones Lang LaSalle in 2008 titled *Development in the Retirement Living Sector – Is supply meeting demand or*

*meeting the mark?* concluded that growth of retirement villages will continue along the coastal regions, but warned that supply may exceed take-up over the next few years if developers fail to factor in the consequences of a softer residential market.

“Usually you find that the decision to move from the family home is the most fearful change,” said Kathryn Hall, Principal at Kathryn Hall Real Estate.

“Once people reach age 75 and over, they are of a different generation and have often lived in the same house for most of their lives. They tend to be the ones who struggle with the decision making and it’s the kids who push them to do something.”

## Public holidays

Kathryn said her busiest period is usually around public holidays, particularly Mother’s Day, when children visit their elderly relatives.

It is during these visits that many try to convince their parents to make the move into a retirement home.

“It can take two to five years to get them to make that decision to move,” Kathryn added.

At the younger end of the spectrum, the baby boomers appear to be more willing to consider a change, in Kathryn’s experience.



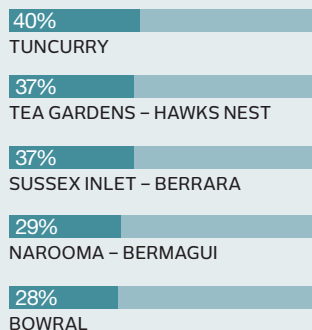
97%

The predicted increase in NSW population of the 65-84 year old age group from 2006 to 2036.

56%

of NSW residents aged 65 and over resided in Greater Sydney in June 2011\*

## HOT SPOTS FOR OVER 65s\*



9 of the 10 locations with the highest concentration of 65 and older residents were located on the coast.\*

 1.8M  
aged 55 and over in NSW\*

## 2030

The last of the baby boomers is to reach 65 this year, heralding the start of the start of the deceleration of the 65-84 year old age group in NSW.

\* 2011 Census - NSW

“

There are a number of property options available which are specific to older buyers.”

”

“Now, because of the GFC, they are thinking ‘let’s sell this and buy the Winnebago’. The 50-60 year olds are not as attached to their homes anymore.”

She conceded that new developments can be expensive, unless you are willing to move into an apartment.

“It might be that those over 55s might buy an apartment or strata title townhouse, and then when they get to 70 they go into a retirement home,” she said.

Graeme Smith, Director of LJ Hooker Castle Hill is in the middle of downsizing himself.

“You get to the point where you do not want stairs, but you do not want to pay big management fees for a retirement home either,” he said.

#### Property shortage

Graeme recognises that there is a shortage of affordable single-level properties on the market. He blames this shortage on the resurgence in popularity of

single-level properties among the young and a tendency by developers towards townhouse and unit developments.

He points to the single-level villas of the 1960s and 1970s villas as a prime example of properties that are perfect for the aging market.

“There are people who will move into apartments, but in my opinion others want a bit more independence in something that’s low rise with a bit of

privacy and small backyard for growing a few plants,” he said.

While the over 75-year-olds are more timid in exploring moving, the younger generation of retirees coming through are much more open to the idea.

In the future, we could see downsizing as a two-step process, from apartment to strata or retirement village.

Then again, they may just stick with the Winnebago. ♦

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# Mandating window locks

REINSW has lodged a submission in response to the NSW Government's proposal to mandate the installation of window safety devices.



The NSW Government hopes to reduce the number of children falling from windows by mandating the installation of window safety devices. The proposals, set out in the *Children and Window Safety Consultation Paper*, require Owners' Corporations to install safety devices on all windows that pose a safety risk to young children.

In 2011-12, 39 children aged nine or younger were hospitalised in NSW due to window falls,"

Minister for Fair Trading Anthony Roberts said.

"Adult vigilance is critical when it comes to preventing a child fall, a window safety device is the last line of defence and it could save a child's life."

REINSW is supportive of initiatives to minimise the risk of death or injuries occurring as a result of children falling from windows. However, some of the proposals set out in

the Consultation Paper are of concern and have the potential to shift liability onto property managers.

REINSW has lodged a submission in response to the Consultation Paper setting out these concerns. Following is a summary of the main points contained in the submission.

## Condition reports

The Consultation Paper proposes to amend the prescribed

condition report so that it lists window safety devices, therefore requiring landlords (or their property manager) and tenants to indicate whether or not working window safety devices are installed.

REINSW strongly opposes this proposal. We believe that the prescribed condition report should not refer to window safety devices in this context.

The inclusion of window safety devices in the prescribed condition report will require a property manager to make a determination about matters in respect of which they have no qualifications or expertise.

While the property manager will be able to visually determine that a device is installed on a window, it is not appropriate that they should be placed in a position where they have to make representations as to whether the device is an approved device and whether it is in working order.

REINSW believes that it is more appropriate to require the owners of residential rental premises to have any installed devices periodically certified by an appropriately qualified professional, and that this certification is then provided by the property manager to the tenant.

## Performance standards

There is currently no Australian Standard for window safety devices and the Consultation Paper proposes to adopt an "outcomes" based approach, similar to the guidance as



contained in the National Construction Code.

REINSW believes that in order for there to be certainty regarding the requirements for compliance, there should be a prescribed standard that the devices and their installation must meet. In the absence of a standard, the questions of whether the device is strong enough to withstand the pressure of a child and whether it is designed to prevent a child unlocking it will be subject to debate. These are questions that are capable of being answered only by a relevant expert.

“  
In 2011-12, 39 children aged nine or younger were hospitalised in NSW due to window falls.”

### Liability of Owners' Corporations

The Consultation Paper sets out that Owners' Corporations will bear full responsibility for ensuring that window safety

devices are installed on every window in a strata scheme that poses a safety risk to young children. If an Owners' Corporation does not install window safety devices, they risk being held liable on the basis that they have not complied with the law.

If Owners' Corporations are to bear all the responsibility for the installation of window safety devices and the liability for failing to do so, then they should also have full control over what devices are installed, who they are installed by and how they are installed.

There should be a mechanism whereby an owner can approach the Owners' Corporation to request the installation of window safety devices. The Owners' Corporation would then carry out the installation so as to ensure uniformity of devices and installation throughout the strata scheme.

If the Owners' Corporation fails to install the devices within a specified timeframe, then the owner's right to install the devices themselves would be triggered. This right would be subject to installation being done in a proper manner by an appropriately qualified professional and

a certificate provided to the Owners' Corporation.

Even in circumstances where the Owners' Corporation has installed the window safety devices, the Owners' Corporation has no control over how the occupants (i.e. owners or tenants) use the windows or devices. Therefore, REINSW believes that Owners' Corporations should not be held liable for the neglect or misuse of window devices by occupants.

Consideration also needs to be given to the question of who is responsible for the maintenance of window safety devices and whether that responsibility should differ depending on whether they are installed by the Owners' Corporation or the owner.

### Other issues

REINSW has identified a number of other foreseeable implications in relation to the proposals, which should be addressed before any legislation is passed, including:

- **Environmental and sustainability issues** – If windows are only capable of being opened to 12.5cm this will potentially cause issues for occupants with ventilation and cooling. It is foreseeable that occupants will want to

have air conditioning installed to alleviate some of these problems. This will place an additional financial burden on landlords, and will also have environmental and sustainability effects due to the increased usage of air conditioning.

- **Health hazards** – Reduced ventilation may potentially increase the incidence of mould and dampness, creating health issues for occupants and additional expense for landlords.
- **Older buildings** – In some older buildings the windows themselves may not be capable of withstanding the pressure of a child climbing on or leaning against them; therefore window safety devices will be of no assistance to prevent falls in such cases.
- **Financial considerations** – Window renovation and the installation of safety devices will place a financial burden on property owners, which may prevent or delay the work being carried out. ♦

To download a copy of REINSW's submission in response to the NSW Government's proposal, go to [reinsw.com.au/lobbying](http://reinsw.com.au/lobbying).



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- TRA can audit trail all searches in the event of misuse and trace back to the computer used, therefore protecting both principals and property managers.
- TRA has a 60 page document on every aspect of our business showing compliance to the new privacy principles, completed by our barrister and solicitors.
- TRA abides by "Property, Stock and Business Agents Amendments (Tenant Databases) Regulation 2004".

# Training calendar



## Roadshow 2013

**REINSW** is coming to a location near you! Travelling to locations throughout NSW, the full day event starts with an industry update session in the morning and also includes CPD training in the afternoon. Attend just one session, or both. The choice is yours. By attending both sessions you'll receive all your CPD points for the year.

## JULY 2013

**1 - 4 July • SYDNEY**  
**Certificate of Registration Course**  
 (9.00am–5.00pm)

**6 - 27 July • SYDNEY**  
**Certificate of Registration Course (part-time)**  
 (4 consecutive Saturdays)  
 (9.00am–5.00pm)

**8 - 11 July • SYDNEY**  
**Certificate of Registration Course**  
 (9.00am–5.00pm)

**9 July • LISMORE**  
**Roadshow 2013**  
 (9.00am–5.00pm)

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

**10 July • COFFS HARBOUR**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**10 July • COFFS HARBOUR**  
**Novice Auctioneers Competition**  
 (6.30pm–8.30pm)

**10 July • WEBINAR**  
**Creating a Standout Marketing Campaign**  
 (10.30am–11.30am)

**11 July • PORT MACQUARIE**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**13 July • SYDNEY CPD**  
**The ABC of Compliance**  
 (9.30am–1.30pm)

**15 - 18 July • SYDNEY**  
**Certificate of Registration Course**  
 (9.00am–5.00pm)

**15 July • ORANGE**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**16 July • DUBBO**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**17 July • TAMWORTH**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**17 July • NEW ENGLAND**  
**Novice Auctioneers Competition**  
 (6.30pm–8.30pm)

**19 July • SYDNEY CPD**  
**Managing Your Property Management Workplace**  
 (9.30am–1.30pm)

**22 - 25 July • SYDNEY**  
**Certificate of Registration Course**  
 (9.00am–5.00pm)

**22 July • DENILIQUIN**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**22 July • MURRUMBIDGEE**  
**Novice Auctioneers Competition**  
 (6.30pm–8.30pm)

**23 July • WAGGA WAGGA**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**23 July • RIVERINA**  
**Novice Auctioneers Competition**  
 (6.30pm–8.00pm)

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

**24 July • ALBURY**  
**Roadshow 2013**  
 (9.00am–5.00pm)

**24 July • ALBURY**  
**Novice Auctioneers Competition**  
 (6.30pm–11.00pm)

**27 July • SYDNEY CPD**  
**The DEF of Compliance**  
 (9.30am–1.30pm)

**29 July - 1 Aug • SYDNEY**  
**Certificate of Registration Course**  
 (9.00am–5.00pm)

**29 July • SYDNEY CPD**  
**Creating Impact and Influence**  
 (9.30am–1.30pm)

## 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 commences**  
 (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)

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# Return to city living

The Newcastle city centre is experiencing renewed vibrancy thanks to significant investment in apartment developments.

Newcastle's European settlement began in 1797 following the discovery of coal. Since then, the city, located two hours north of Sydney and the capital of the Hunter region, has become a hotspot for investors and boasts one of the lowest unemployment rates in the country.

Mining and resources are key employers, as is the services sector, particularly hospitals and education. Tourism has also brought money into the region thanks to the close proximity of the wine country, beautiful coastline and Lake Macquarie.

The region has one of the largest new land releases in the state so local construction companies are burgeoning.

"Over the past 10 years we have seen hundreds of new apartments completed in the city bringing some 2000 new residents back in to enjoy it," said Newcastle & Hunter Division Chair Wayne Stewart.

"We have seen the construction of a new inner city shopping centre at Market Town (Newcastle West), and the creation of many new businesses and service industries as the Honeysuckle Precinct grows along the harbour foreshore."

Similar to Sydney, new communities have sprung up in Newcastle around apartment complexes. The return of people to city living has also resulted in the gentrification of suburbs such as Wickham, Maryville, Islington and Hamilton. However, it has taken Newcastle city centre a while to regain its vibrancy.

In the heady days of the 1950s through to the early 1970s Hunter Street, Newcastle, was a commercial and retail hub where trams traversed the streets. The city had a strong shipbuilding and harbour industry and was one of the country's largest steel producers. However, the seventies brought the development of large suburban

shopping centres, which led to urban sprawl pulling people away from the city centre.

In the 1980s, future Director of the REINSW Board Colin Chapman correctly prophesied that only when apartment living returned, would the city centre regain its buzz. "The city will not see its former vibrancy or a new life until it attracts people back into the city to live," he said.

Further development is expected in the city centre following the partnership last year of GPT Group and Landcom and their focus on a combination of retail and apartment developments.

"This again fits in more with the realistic way to grow the city, through a natural need and desire for services from new residents," Wayne said.

The city, buoyed by its mining and services infrastructure, looks set to continue its current growth into the future. ♦



“The region has one of the largest new land releases in the state.”

## AROUND NEWCASTLE & HUNTER



Bar Beach gives its name to the suburb it sits in, south west of Newcastle's central business district. It is home to the Cooks Hill Surf Life Saving Club.



Australia's first coal mine was established in 1801 under the present site of Fort Scratchley in Newcastle using convict labour.



By 1823, some 20 acres of vineyards had been planted on the northern banks of the Hunter River.



In the latter half of the nineteenth century, vineyards were established in The Hunter by the Tyrrell, Tulloch, Wilkinson & Drayton families and Dr Henry Lindeman.



Development in Newcastle is strong in the seaside suburbs.

# Q&A



**WAYNE STEWART**  
Division Chair  
Newcastle & Hunter Division

Wayne is the immediate past President of REINSW and retains a position on the Board. He is Managing Director of Century 21 Five Star Properties in Newcastle. The agency has been a member of REINSW since 1974 when the parent company, John Wragge Real Estate, was established. Wayne first joined the Division in 1994 and took over as Chair in 2000.

**Q. Tell us more about the Newcastle & Hunter Division.**

**A.** The property market is currently buoyant, and while this is driven largely by the consumer confidence and low unemployment, it is also driven at the moment by the low levels of stock coming onto the market. It is very much supply and demand, and at the moment demand is outstripping supply.

**Q. Is there demand for a certain style of property?**

**A.** It really depends on the location, as the Hunter is large. There is strong demand for beachside property and, due to the number of older properties, they often require a lot of renovation, or even demolition and rebuilding. There is a lot of rebuilding occurring in the seaside suburbs where the new homes being built can cost up to \$1,000,000 and the renovations around \$500,000.

There is strong demand in the lower Hunter for new and larger project homes, so land sales are on the increase in areas such as Fletcher, East Maitland and up around Singleton and Muswellbrook. Lifestyle property is again becoming popular so there is also increasing demand for rural property. Small hobby farm lots and equestrian breeding and development is becoming stronger by the day.

**Q. What are the key issues facing your Division?**

**A.** The key issues in our region at the moment are: red tape around new development, where government strategy creates huge time delays and cost blowouts; the coal dust from increasing coal mines in the mid-Hunter regions; there is the coal seam gas debacle going on, which similar to coal mining threatens neighbouring viticulture and equine industries; there is the transport issue, especially with the train coming into and dissecting the city itself; and there is the issue around the construction of T4 — the proposed fourth coal loader at Kooragang. We bring these issues up through the Board and support local drives for change with Business Chamber groups.

## NEWCASTLE KEY STATS

People	155,737
All private dwellings	68,733
Median weekly household income	\$1,154
Median monthly mortgage repayments	\$1,742
Median weekly rent	\$271
Median house price*	\$408,000
Median unit price*	\$359,950
Vacancy rate <sup>^</sup>	1.9%

**Source:**

Unless otherwise specified, statistics are sourced from 2011 Census.

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

<sup>^</sup> REINSW Vacancy Rate Survey – April 2013

## Interested in getting involved in your Division?

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

# Sporting sponsors

Mosman agency O’Gorman & Partners knocks its competitors out of the ring.

Not only did Director at O’Gorman & Partners Anthony O’Gorman help organise a charity boxing match a few years ago, he went the extra mile for his charity and took part in the event too.

“I went cold turkey, I didn’t drink for two months and I trained hard,” said the Mosman native.

“It was a really good challenge, raising money for a really good cause.”

The Humpty Dumpty Foundation fundraiser, held at the Four Seasons Hotel in Sydney, involved seven fights, each lasting three rounds. All participants were real estate agents.

“I’m no killer, but in amateur boxing it’s a matter of who lands the most punches,” said Anthony.

“He was very gracious,” he added of his opponent.

Despite going up against an opponent with boxing experience, Anthony had the height advantage and won his bout, personally raising \$5,000 for the Foundation in sponsorship, in addition to the ticket sales from the night.

Sport is at the heart of Mosman agency O’Gorman & Partners — the agency even has an Australian 16ft sailing champion on its sales team. Fundraising has centred on sporting events, such as a local rugby club fundraiser lunch, in which the four Directors have a vested interest.

Agents have also been involved in the mini-Mosman marathon



Director Anthony O’Gorman (left) post match.

and the City to Surf half marathon, raising money for good causes and investing back in the community that has supported them all these years.

“I went cold turkey, I didn’t drink for two months and I trained hard.”

The agency has been operating for 31 years. It has been involved in fundraising for the local community since it was founded by Anthony’s dad David O’Gorman, and Kerry Mahon.

“It started with my dad being involved with our schools and sports teams,” said Anthony.

“The new generation of Directors has come on board too by coaching rugby teams,” he added of his team’s commitment to the local community.

The agency is an annual sponsor of the O’Gorman & Partners Rugby Lunch, which raises funds for the Australian Diabetes Council and Westmead Children’s Hospital. Last year Anthony undertook auctioneer duties for the event, which raised \$15,500.

“Everyone there loves their rugby, getting involved and knowing that it all goes to a good cause.” ♦

**YOUR STORY**  
We want to hear your stories!

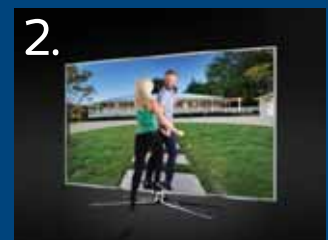
If you, or a member you know, supports a charity, you can share the story in the ‘Last Word’.

Email the editor at [jill@mahlabmedia.com.au](mailto:jill@mahlabmedia.com.au)

## INTERSTATE ROUND UP

A quick delve into what is going on across the rest of the country:

**1.**  
ACT: Architects are competing to design a new residence for the Prime Minister. The competition, run by the University of Canberra and the Gallery of Australian Design, is to celebrate Canberra’s centenary. Although the winning entry will not be built, the creator will win a whopping \$80,000.



**2.**  
SA: Toop & Toop in SA has launched Toop3D to coincide with Adelaide’s switch to digital TV on 2 April 2013. Consumers can now watch videos of the agency’s most prestigious properties in 3D.

**3.**  
WA: A South Street residence in Fremantle has been named the most discounted property in Australia by SQM Research, according to news.com.au, after its asking price dropped by nearly half to \$990,000 in 84 days. ♦

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