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# Journal

NOV 2013  
VOL 64/10

## rolling up our sleeves

**REINSW fights to retain training standards as the national licensing debate continues**

### **The Debate**

Would you lower your sales commission?

### **Are you a winner?**

Find out who won what at the 2013 Awards for Excellence

### **Pop-up possibilities**

The ins and outs of commercial short-term leases

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The *Real Estate Journal* is the official monthly magazine of the Real Estate Institute of New South Wales.

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## Real Estate Journal

Published by  
Mahlab Media  
369a Darling Street  
Balmain NSW 2041  
www.mahlabmedia.com.au



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REINSW addresses the issue of training in the industry as the national licensing debate continues.



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Average monthly  
distribution 3,915 copies

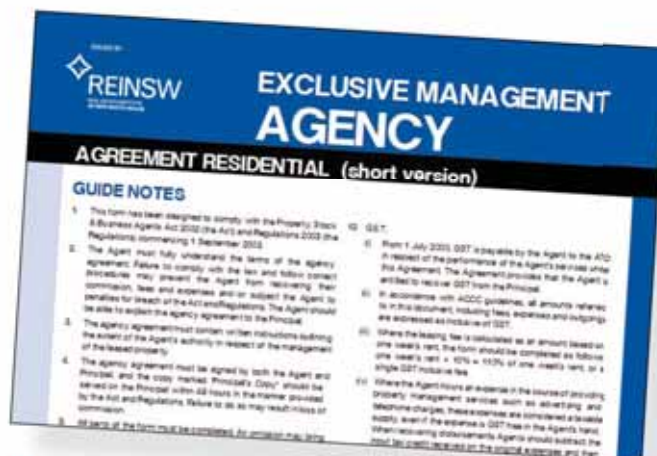
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## PRESIDENT



# Reminiscing on our time together

As this is my last message as REINSW President, I would like to thank you, our members, for allowing me the privilege of representing the real estate industry in NSW for the past two years.

My goal from the outset was to further strengthen REINSW's reputation for professionalism and excellence of service, and to keep membership relevant for agents. I saw my passion for political lobbying as the perfect opportunity to be the voice of members, ensuring your interests remain on the State and Federal Governments' agendas.

### Our successes

As I reflect on my tenure, I am particularly proud of the overall improvement in the perception of REINSW, and of our position in the economic and business landscape as a professional body.

These improvements have resulted in members benefiting from the increased value and relevance of their membership. It's a continual question that we, as directors, ask ourselves: "What is in the best interest of our members?"

I am proud to reflect on the improvements in your membership. These include:

- REINSW conducting the annual Roadshow over the past few years, delivering industry information and training to members

face-to-face right across metropolitan and regional NSW.

- The introduction of mandatory professional indemnity insurance following many years of lobbying by REINSW.
- The introduction of our five-year Strategic Plan for REINSW to ensure a clear direction for the organisation going forward.
- Pushing back on the proposed National Occupational Licensing System, which is attempting to further lower standards within our industry rather than raising them, as it should be doing.

### Talk to us

I thank our CEO and Board for all their hard work over the years, and look forward to following the progress of the association in the years to come.

I would also like to take this opportunity to congratulate the incoming REINSW President, and wish them every success in what is an exciting, challenging and extremely rewarding role.

**Christian Payne**  
REINSW President

## CEO



# Championing training

REINSW has been working with Government over the last two and half years in an effort to create a new National Occupational Licensing System (NOLS) that will meet the expectations of the profession, the industry and consumers.

We are supportive of the strategic goals of the National Occupational Licensing Authority (NOLA). However we strongly believe that the best interests of all stakeholders will be served through a licensing regime that admits only those who can satisfy the probity and educational requirements expected from a person delivering the services of a competent real estate agent.

### Challenges ahead

Unfortunately, what NOLA is proposing is to de-license some areas of practice altogether and permit entry to the profession without adequate training. In addition, it is proposing to remove the obligation to maintain professional skills through ongoing mandatory education. This will ensure that those entering the profession without the knowledge or the requisite skills to deliver a quality service to consumers will maintain that ignorance throughout their career. Clearly this will have a detrimental effect on the market, consumer confidence, the profession and the economy.

Property industry groups across the spectrum have spoken with one voice and have strongly lobbied NOLA

to review and amend its current direction. We are unanimous that the proposed system will not deliver on the strategic goals. Unfortunately, common sense has not had a victory in the discussion to date.

### Lobbying government

While our lobbying efforts continue at a state level, over the past few months we have expanded our focus to the new Federal Government. We have received correspondence from the Government about their lack of satisfaction with the direction NOLS is taking and we are hopeful that this will lead to a review of NOLA's progress and direction.

We are seeking an audience with the Office of the Prime Minister and the Office of the Small Business Minister. We are again hopeful that our discussions will be fruitful and look forward to working with Prime Minister Abbott on other issues that need to be addressed to help real estate professionals, the property market and all Australians.

I look forward to updating you on NOLS and other areas that are discussed with the new Government.

**Tim McKibbin**  
REINSW CEO



## TOP TIPS OF THE MONTH

### Add value to a property through presentation

Property styling is often considered the realm of the luxury market. However, The Staging Professionals Director Janne Petrie believes that any property will be more marketable when it's well presented.

#### 1. Preparation is key

Allow the vendor time to prepare their property for the sale process. Ensuring the property is well prepared will ensure better overall presentation. Gardening, repairs, painting and packing all take time but will yield the desired results when done.

#### 2. Clean, brighten and mulch

Bedding should be fresh and clean, curtains dust free, floors mopped and 'dust bunnies' eradicated. Windows are important. They are the eyes to the home, let in light and show the vista. Kerb appeal is also essential. Gardens should be tidied and mulched, lawns mowed and the entry should be uncrowded and welcoming.

#### 3. Create space

By ensuring that rooms are not overcrowded with furniture, the buyer can see the size of the room and how they can live in that space. All unnecessary furniture should be stored away and excess clothes, books and personal items should be packed up and removed to avoid distraction.



## NSW Fair Trading issues blind cord warning

Property managers should be aware of, and relay to landlords and tenants, new advice to prevent child deaths through strangulation by curtain or blind cords.

NSW Fair Trading Commissioner Rod Stowe made the call following the death of 18-month-old Jack Mackay in Port Stephens, who accidentally wound a blind cord around his neck.

It is advised that all looped cords be cut above the tassel,

equalisers should be removed and a new tassel be attached to each of the cord ends.

Alternatively, you can install a breakthrough tassel that gathers the cords together, but breaks if a child puts their neck or body in the loop.

Pull cords on vertical blinds often have a continuous loop, so it is advised to attach a cleat to the wall to wrap the cord around, or use a tie-down or tension device to pull the cord tight and secure it to the wall.

"In seconds a child can become entangled in a curtain or blind cord," Mr Stowe warned.

"If a child runs and trips or plays with a cord, it can act like a noose. Babies can grab a nearby blind or curtain cord through a cot slat and pull it around their necks."

For more information on the standard for blinds and curtains, visit [productsafety.gov.au](http://productsafety.gov.au)

## Novice Auctioneers Competition Division winners prepare for showdown



View all the Division finalists in our November digital edition. You can link to the digital edition by clicking on the link on the REINSW homepage.

REINSW would like to congratulate the finalists of our 2013 Novice Auctioneers Competition who will be battling it out at the State Final on Friday, 29 November 2013.

The 11 finalists collectively raised \$2995 for a selection of charities through the sale of a wide variety of items that ranged from a sky dive over Wollongong through to a 'money tree' of scratchies.

Finalists were required to undertake a live auction of their chosen item and were judged by industry professionals on their ability to call the numbers and work the audience.

The finalists will now compete against each other for the title of State Champion at the end of the month in the Grand Central Ballroom of the Mercure Sydney Hotel.

All proceeds from items sold on the night will be split between the St Vincent de Paul Society and the chosen charity of the winner's Division.

The winner of the State Final will also receive a \$1000 gift card grand prize.

#### The 2013 finalists

- Matthew McKee, Century 21 Carkeet Johns Smith (Newcastle & Hunter Division)
- Matt Horne, Elders Deniliquin (Murrumbidgee Division)
- Geoff Seymar, Fitzpatricks Real Estate (Riverina Division)
- Jerome Smith, John Pye Real Estate (North West Division)
- Aaron Brightwell, First National O'Connor Real Estate (Illawarra Division)
- Tom Barnier, Colliers International (East Division)
- Jeremy Martin, LJ Hooker Mosman (North Division)
- Oliver Lavers, Laing+Simmons Double Bay (Nepean, Hawkesbury, Blue Mountains Division)
- Alex Pattaro, LJ Hooker Concord (Inner West Division)
- Lachlan Sewell, Professionals Armidale (New England Division)
- Nathan Dodds, Nolan & Partners (Coffs Harbour).

Register to attend at [reinsw.com.au](http://reinsw.com.au)

# Government's hesitation continues to hurt holiday rental market

REINSW is challenging the NSW Government to protect holiday rentals before the uncertainty starts to affect local economies.

REINSW has taken the fight for a state-wide ruling to protect holiday rentals to the Office of the NSW Minister for Planning.

REINSW CEO Tim McKibbin, Holiday and Short Term Rentals Chapter representative Dirk Hertford and John Gudgeon, Chair of the Holiday Letting Organisation Byron Bay, met with a key representative from the Minister's office to put forward the case.

"Holiday rentals are the backbone of many local economies across NSW, and we're asking the NSW Government to take a positive stance to protect the livelihood of these areas and bring about some consistency to regulation for the industry," Tim said.

Dirk called for the issue to be resolved quickly so confidence in the market doesn't fall even further.

"The failure to protect holiday homes is jeopardising the State Government's aim to increase

visitor numbers to boost the NSW economy.

REINSW has been working to bring clarity to the issue and return holiday rentals to their traditional residential classification," Dirk said.

There are currently a number of councils in NSW that are considering imposing restrictions on holiday rentals. These include Waverley Council, Byron Bay and Wyong Council, to name a few.

Visit The Entrance Principal Simone Koen is currently petitioning local residents to prevent Wyong Council from carrying out its threats.

"We've spoken to the local businesses and agents in the area, and they are very supportive of our petition," Simone said.

"They were quite shocked to hear what the council was doing because holiday rentals have been operating in the area

for decades. They did not know the council was doing this."

Holiday rentals were historically zoned as residential until a decade ago when ambiguity over definitions was introduced. Local councils have been left to interpret ambiguous definitions. The result has been confusion in the market and a reduction in the number of operators as businesses have closed or disposed of their portfolio.

"It has also created a damaging precedent, where people who rent are excluded from a property simply because they rent," Dirk said.

"Owners can use a property for a short term but renters cannot in some council areas, even though both owners and renters are conducting exactly the same activities."

REINSW's Holiday and Short Term Rentals Chapter estimates that there are approximately 150,000 holiday rentals across NSW.



**RICK WRAIGHT,**  
Director at  
Tea Gardens  
Real Estate

"The majority of holiday rentals are in small, regional towns. The contribution they make to the community is very important."



**SIMONE KOEN,**  
Principal of  
Visit The  
Entrance

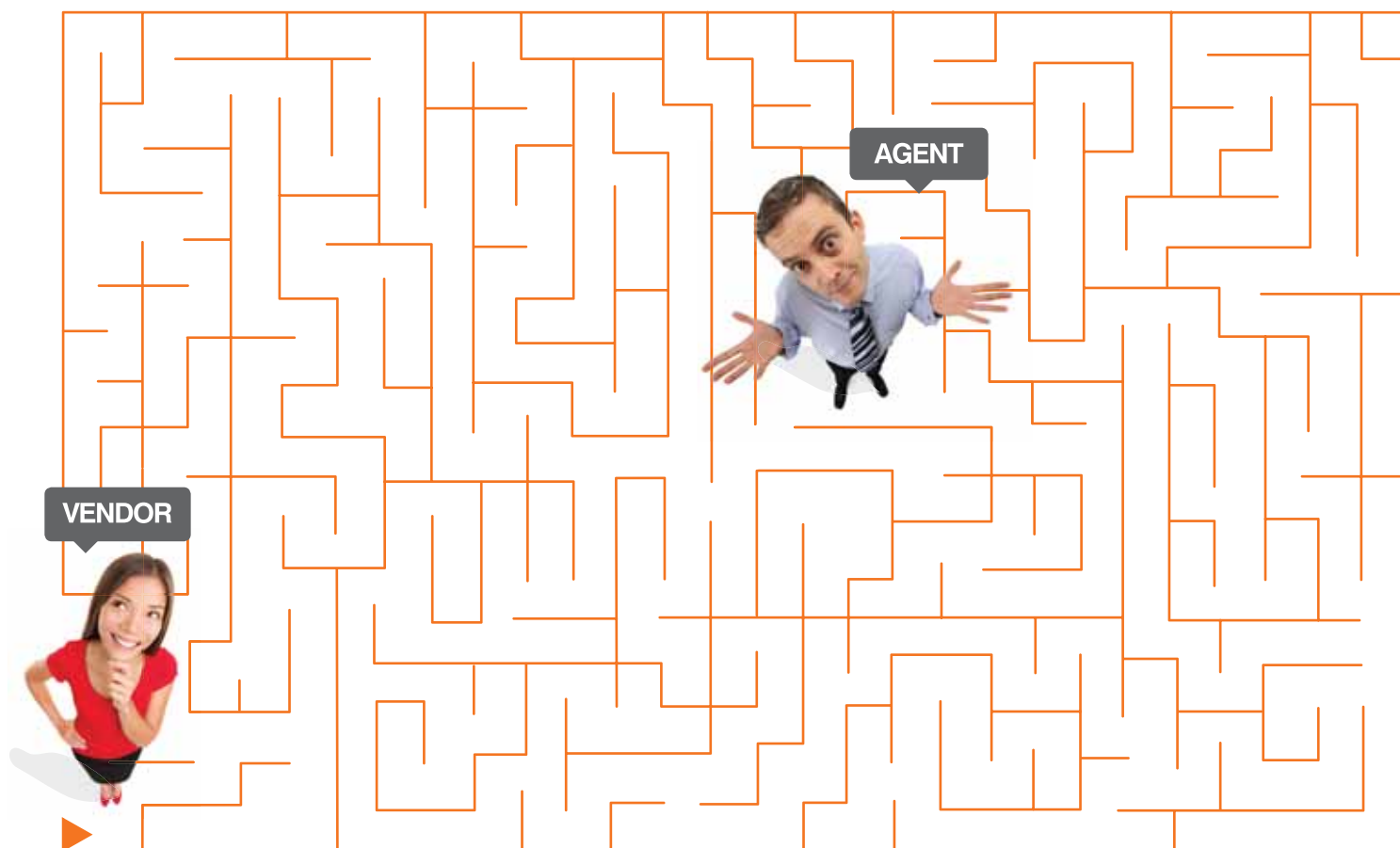
"The Wyong Council needs to change their zoning regulations to allow the industry to operate. It's a bit tricky in our area because the council charges holiday rentals a levy, but it states in the LEP that you cannot offer holiday rentals!"



**DIRK HERTFORD,**  
Principal of  
Park Beachside  
Real Estate

"Over the last decade planning definitions have become much tighter. However, holiday homes were excluded from these definitions and ambiguity exists in some areas about their status. This has caused instability and a loss of confidence. Many investors and agencies have withdrawn. It has adversely impacted many livelihoods and local economies."

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# Q. Should sales agents be willing to negotiate on commission?

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

## “YES”



**ARIS DENDRINOS,**  
Licensee-in-charge at Richardson & Wrench Marrickville

While every agent worth their salt would defiantly claim they never reduce their standard commission in order to secure a vendor's business, I think the reality is very different.

As agents, we work in a totally deregulated free market system with no hard and fast rules regarding what we can charge. It is dog eat dog and extremely competitive.

So what does an agent consider before they decide to reduce their commission? There are three key elements:

### 1. The vendor's motivation

All owners start with a preordained price in mind but the ones who are selling for a strong reason will adjust if need be, as a skilled agent proves to them what the current market will reasonably pay.

### 2. Level of agent competition

It's easy to stand your ground on commission when you are the only agent the vendors have spoken to. But it's a different story when you are up against multiple competitors.

### 3. Level of purchaser competition

Some homes are clearly more popular than others. They usually fall in a high demand price category and have something unique about them which is attractive to a wide range of buyers. A fantastic street that trades rarely is the most obvious example.

These types of homes provide much more than a commission. They sell quickly and efficiently. Most important of all, they sell spectacularly generating huge interest and future business through other local owners you meet in the selling process.

By all means fight the good fight with the vendor and limit the discount to as low as possible. But if it's one of those hotter than hot listings, is it really worth your competitor getting it for a fraction lower? No, I didn't think so.

## “NO”



**BRYCE GIBSON,**  
Principal at LJ Hooker Cessnock

You wouldn't go to a doctor for example and say, 'great, thanks for your expertise and service, but I don't want to pay your full asking price'.

It's the same in real estate. We are professionals and we offer a great service. The first thing you need to do before you sell real estate is sell yourself. You need to have confidence in yourself and your ability to sell.

We have a very healthy market share in the Hunter area and are able to charge higher commission rates. The reason we can confidently do this is because my team and I are well trained, highly skilled and motivated to get the job done. Our numbers don't lie and if you and your team as a collective aren't all the things you say you are, you won't get the calls and you won't seal the deal.

This is how I can easily justify charging higher commissions than the others. It's pretty simple really.

We offer vendors access to the 14 different real estate websites both here in Australia and overseas. These websites included Hunter Homes, LJ Hooker and overseas offerings included Juwai.

We don't need to offer free marketing because we have a diverse skill set, are expert marketers and negotiators. I've done more than 1,000 hours of training over the past 12 years.

I started selling real estate when I was 16, so I am very confident in the sales process, am very knowledgeable and my skills are valuable. Most people recognise this and that's why we consistently get the business.

The kicker for me is that you hire a professional for their sphere of expertise and you trust them with your business so you are charged accordingly – you don't negotiate with a professional.



**NEXT MONTH WE ASK:**  
**Q. IS PROPERTY MANAGEMENT THE SAVIOUR OF AGENCIES?**



BY ROD STOWE, NSW FAIR TRADING COMMISSIONER

# Developing a plan

Ensure you understand the parameters of selling off the plan.



According to the Housing Industry Association's latest predictions, by the end of this year new housing starts in NSW will have increased 14 per cent from 2012.

That's a lot of new stock coming on to the market.

In the current financial year, construction on almost 60,000 new multi-units is expected to commence, and it would be fair to assume a large proportion of these will be sold off the plan.

There are few basic, but very important, rules to remember when selling off the plan on behalf of vendors or developers.

## Misrepresentation

First, a Licence or Certificate holder must not misrepresent the characteristics of a property for sale or planned development.

NSW Fair Trading has issued guidelines to assist agents in avoiding the types of statements or actions that may be interpreted either as a misrepresentation or a concealment of material fact, and information on the

circumstances in which they might arise.

However, these guidelines are not exhaustive, nor are they intended to constitute legal advice. Section 52 of the *Property, Stock and Business Agents Act 2002* emphasises the importance of the agent informing the purchaser "of matters which could not be revealed through undertaking usual enquiries".

## Opinion

Second, a sales agent must keep in mind that they are not qualified to offer potential buyers an opinion on a building proposal and whether the development complies with the relevant building codes. Nor can they offer advice on the legality of a structure, building or other, or on changes made to the development. The best advice an agent can give a buyer is that they should conduct their own enquiries with due diligence when it comes to these matters.

## Cooling off rights

Third, if the agent exchanges contracts with the purchaser on behalf of the vendor, it is essential that the agent advises



In the current financial year, construction on almost 60,000 new multi-units is expected to commence, and it would be fair to assume a large proportion of these will be sold off the plan.



their buyer of their cooling off rights under the Contract for Sale and whether these rights have been waived by signing a 66W certificate.

Once again, it is essential that the agent advises their client to obtain legal advice concerning

their rights and obligations and to ensure they understand what may happen to their deposit should they rescind or fail to complete the contract.

## Trust accounts

Finally, the agent must ensure that all deposit monies are held in their trust account in accordance with the Act. Where a contract provides for the release of the deposit monies to a party nominated by the vendor (usually their legal representative) or the developer, the agent must ensure that this does not occur until instructions are received from both the vendor/developer and the purchaser.

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# Be disciplined, motivated and methodical

With more than 35 years' experience in the industry, PRDnationwide Managing Director Tony Brasier talks about navigating the market.



I began my working life as an accountant who specialised in auditing, but in the back of my mind I always wanted to move into property.

Both my grandfathers were rural property managers, and my father's first job was as a stock and station agent. Pedigree and my natural instincts dictated that I would follow suit.

I stepped up the corporate ladder and transitioned from a salesman to the Chief Executive of one of the big four commercial agencies.

I've now been involved in real estate for more than 35 years, and it is an industry that has never lost its appeal for me.

In the past three decades, I've seen the market rise and fall. I've learned to navigate each challenging cycle by maintaining my discipline, being methodical in my approach and ensuring that my enthusiasm remains at the appropriate level to not only keep our business as a part of the wider real estate industry, but as a thriving market leader that is shaping its future direction.

I encourage you to enjoy your work, think long-term and build humour into each day. The world of real estate is a challenging one, but it has opened up many doors. All the best on your journey. ♦

## TO THOSE EMBARKING ON A CAREER IN REAL ESTATE ...

### BE A GOOD LISTENER

You can absorb knowledge from the smart operators in your industry and learn from the mistakes of others. An open set of ears also puts your clients at ease and allows you to truly understand their requirements.

### PLAN TO SUCCEED

You need to be aggressive in your planning and document it with ambitious milestones. Personally, I set myself targets for three years in advance and check myself against them every three to six months. You will be surprised with what you are able to achieve.

### BUILD YOUR REPUTATION

Invest in public relations strategies and let the market know about your recent sales performance. Traditional news media, print publications and online periodicals are all avenues to increase your profile in the marketplace, and some well-timed commentary can really enhance your business prospects. Social media is also a fantastic means of facilitating two-way conversations with existing and potential clients.

### KNOWLEDGE IS KING

It is important to keep abreast of the latest trends and developments in the industry. You must become a market leader in property knowledge in your particular area of expertise in order to differentiate yourself from your competitors.

### EMPLOY FACT-BASED METHODOLOGIES

You don't need excessive showmanship or gimmicky sales tactics to become a successful agent. Clients appreciate genuine honesty, and when you deliver strategy based on facts, you build credibility and enhance your reputation.

### PUT THE TEAM FIRST

Real estate is often viewed as an individual industry, but enormous benefit can be derived from working as part of a successful team and contributing to the long-term success of the business. Embrace compromise and realise that consistency of performance across the whole brand benefits your personal reputation.

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# ROLLING UP OUR SLEEVES

REINSW continues to fight to raise standards of training and education in the industry as the national licensing debate rolls on.

BY JILL PARK

In order to design a property or advise someone on their finances to buy a property, architects and financial advisers must undertake extensive training programs and take years to achieve their qualifications, but to become qualified to sell a property it takes less than a week.

Complete a few days of classroom training, some project work at home and anyone can apply to NSW Fair Trading to become a registered real estate professional.

But just how much can you learn in under a week? Are we letting new entrants to the industry down by not demanding more of them to qualify?

This was the question News Limited property journalist Kirsten Craze asked when she undertook the Certification of Registration Course in September – reigniting the longstanding debate about entry-level training standards.

However, even with her background in the industry as Property Editor of *The Daily Telegraph* since 2011, Kirsten felt ill-prepared after completing the course and sought out a position with Richardson & Wrench where she could benefit from their buddy system.

“I think if I was to go out in the big wide world as an agent, I wouldn’t want to go out on my own. I do not think I would feel that comfortable even though I’ve a bit

of real estate knowledge from being a journalist,” she told the *Journal*.

NSW has the highest number of licensed property agents in Australia, with 34 per cent of the total licensees across the country. Maintaining the standards within the industry has been a key concern for REINSW, even before national licensing placed the issue squarely under the media spotlight.

McGrath Training Director Peter Malouf believes training is the cornerstone to the real estate industry.

“We must lift the benchmark for training in our industry and include competency in such things as the fundamentals of financing a property transaction, how negative gearing actually works, advantages or otherwise of buying in joint names, your personal name or an entity such as a trust, a company or a super fund,” Peter said.

He believes there should be a 12-month introduction program of classroom and practical training for new starters in the industry.

“If we want a professional industry with recognised high standards and reputation, we must lift the bar,” he said.

Belle Property Performance and Development Coach Caroline Bolderston agrees that on-the-job training should be

an important element of training for new recruits to the industry. Anyone who joins Belle Property is required to complete a core module of training to orientate themselves with the company and then individual Principals can choose which courses to send employees to.

“For any training to be totally effective the student needs to walk out of a classroom with an overall understanding of what they need to do and the tools to make it happen,” Caroline said. “What do I need to do that? That’s something we are very focused on providing.”

Caroline believes it takes a combination of theory, understanding and practice in the field to be successful.

“I look at the responsibility that a sales agent has and what an enormous impact a poor result can have for a client, and you compare that to what you do to ensure you are equipped and capable to handle that. There is a massive gap. Vendors put all that trust in your hands, but often do not have a clue what you are doing,” she said.







“

We have a duty to new entrants to train them properly and provide them with the reasonable skills to do the job.

”

### Reaching the regional hubs

The training challenge becomes interesting when you consider regional areas that may not have easy access to training centres. Agents at Hore & Davies in Wagga Wagga are required to drive five hours to Sydney in order to complete their training, although they have welcomed REINSW's annual Roadshow for providing CPD training.

"There's so much to learn about the industry. I do not think four days is enough," Sales Director Sue Alleva said.

"We send people down to Sydney to do the course. When they come back I still sit with them every day for an hour going through the basic things. It's really hard in one week to teach them everything to get certified. There needs to be follow up," she said.

### Questionable CPD

However, training does not stop once you are licensed. Within NSW, agents are required to attain 12 Continuing Professional Development (CPD) points each year in order to retain their licence.

CPD is often held up for ridicule within the industry. There are those who view it as a money-making scheme for the training companies – just another box to tick, rather than a professional aid that will keep them abreast of the latest compliance issues. It is a topic that has come under scrutiny under the National Occupational Licensing System (NOLS).

### Putting the case for NOLS

REINSW has lent its considerable weight to the debate on the NOLS proposals to standardise the training and licensing requirements of real estate practitioners across states in Australia.

The concept of trying to standardise the licensing of specific occupations across Australia was established with the best of intentions: to bring into line the educational and training requirements of agents across the different states and facilitate the mobility of agents across borders.

Consultation with the real estate industry has been widespread. Real Estate Institutes from across the nation have spoken with one voice to highlight the key issues that they believe undermine the professional standards of the industry.

REINSW responded to the initial Consultation Regulatory Impact Statement (RIS) and Decision RIS with submissions outlining their objections. While REINSW

was pleased to see some concessions in the second RIS, it still has a number of serious concerns, which it hopes the incoming Federal Government will address.

"People think that we are anti-NOLS; we aren't," REINSW CEO Tim McKibbin said. "National licensing is a very good idea conceptually, but the execution has been atrocious. What they are proposing will cause detriment to the profession, the industry and consumers."

Tim outlines three key points on which REINSW's opposition to the steering committee's national licensing proposals is founded: entry-level qualifications, training requirements for Licensees and the removal of Continuous Professional Development (see box).



**National licensing is a very good idea conceptually, but the execution has been atrocious.**

"We have a duty to new entrants to train them properly and provide them with the reasonable skills to do the job. The proposals would lead to poor consumer outcomes and unfortunately people will be disappointed with the standard of agents," Tim said, adding that agents could potentially become "disillusioned" with the job.

### What the industry thinks

Raine & Horne CEO Angus Raine agrees that in a country of over 22 million, it doesn't make sense to have six different licensing systems and a harmonised licensing scheme could potentially provide a boost for the market.

"The Government is looking at issues such as title and national contracts, which will create consistency for the consumer – as there will be standard terms and contracts across Australia."

He called for contract consistency across the states to streamline the system.

"They must have a more rigorous level of education to ensure a real estate licence continues to be a coveted accreditation," Angus said.

CBRE Australia and New Zealand President and CEO Tom Southern also welcomed national licensing, but had some caveats.

"Certain exclusions will have a widespread impact on the non-residential sector and create the risk of uncertainty and ambiguity around qualifications and regulatory obligations which could impact on the professionalism of members and, therefore, our industry overall."

### Incoming Federal Government

However, with the change of Government at federal level, the path ahead is unclear.

Work is expected to commence in the coming months now that the incoming Ministry has been announced. However, an indication of the Government's thinking on the matter was outlined in September by the Coalition's Campaign Director Brian Loughnane in a letter to REINSW.

"The coalition is supportive of the stated aims of national occupational licensing," Loughnane wrote.

"However, implementation has been poor."

REINSW Vice President John Cunningham met with now Prime Minister Tony Abbott in February when he was still Leader of the Opposition and REINSW CEO Tim McKibbin has already called for a meeting with the Prime Minister's Office to recommence discussions on NOLS.

### House of cards

Ensuring high standards of training within the industry will continue to be a top priority for REINSW and the industry regardless of whether NOLS is implemented or not.

Richardson & Wrench Executive Director Andrew Cocks is one of many who believe the industry should strive to do more in terms of training, echoing REINSW's call for high standards from the point you enter the profession to when you leave it.

"I think we should continue to strive to do more. Real estate is going to change, and is undergoing change at the moment. In five to 10 years time it is going to look significantly different to how it looks now.

"The underlying fundamental of what is happening in real estate is the market is demanding more in terms of service delivery than ever before. Those demands will continue to be placed on the industry and quite rightly too." ♦

# REINSW outlines its key opposition to NOLS



## DE-LICENSING NON-RESIDENTIAL WORK

**Proposed:** Non-residential and rural properties have been reintroduced as regulated agency work, but caveats have been introduced exempting work on property that “has an estimated contract price of at least a prescribed amount or has an area greater than a prescribed area”.

**REINSW:** REINSW welcomed the reinstatement of agency work in connection with non-residential properties and rural properties, but questioned the introduction of caveats. It warns of the potential danger of property values being over-estimated in order to place them beyond the regulatory regime.

“The de-licensing of some areas, demonstrates to me quite clearly that the people who carried out this process have no idea whatsoever of the complexities and training necessary to appropriately discharge the function of a commercial agent or a stock and station agent,” REINSW CEO Tim McKibbin said.

“It is setting agents up for failure and is setting consumers up for disappointment.”



## REMOVAL OF CONTINUING PROFESSIONAL DEVELOPMENT

**Proposed:** Agents will not be required to undergo Continuing Professional Development (CPD) as a condition of renewing their Licence and Certificate.

**REINSW:** REINSW argues that changes in legislation happen frequently and rapidly, and CPD is the way to ensure agents are kept up-to-date.

“The reason we think CPD is such a good idea is that it allows agents to keep their professional skills sharp,” Tim said. “There are always a raft of regulatory changes – in recent times these include swimming pool registration and fraud guidelines – and unless there is some structure to the training of regulatory changes, agents will never become aware of their current obligations.”



## ENTRY-LEVEL EDUCATION

**Proposed:** That “age does not necessarily provide knowledge and experience; an applicant for a real estate agent’s licence could be over the age of 18 years and not have any experience in the real estate market” and that the entry level of education should be Certificate IV level.

The Decision RIS identifies cost as a key factor in their decision in setting entry-level standards. It states: “To introduce a diploma as the required qualification would mean that prospective entrants in New South Wales, Victoria and Queensland, where nearly 82 per cent of the industry is based, would incur additional training fees in excess of \$1,500 per person.”

**REINSW:** REINSW believes entry-level qualifications for agents should be set at a minimum of diploma level. They also call for a minimum of 12 months’ work experience as a pre-requisite to a Certificate holder becoming a Licensee-in-charge. In addition, REINSW has raised concerns over the age of Licensees and calls for a minimum age of 18 to hold a Licence or operate a business and trust account.

“To meet consumers’ expectations, the amount of training is grossly inadequate. We believe what they need to do is substantially increase the amount of training they receive going into the profession,” Tim said.



## PROFESSIONAL INDEMNITY INSURANCE

**Proposed:** Delicensing of non-residential work would mean many would no longer be required to have professional indemnity insurance.

**REINSW:** Professional indemnity insurance is currently mandatory for licencees and provides consumers with a stronger avenue for redress and compensation for loss in the event of negligence or wrongdoing on the part of an agent. Consumers would lose this protection if certain parts of the profession are delicensed.



**ANDREW COCKS**  
Executive Director at  
Richardson & Wrench

“One of the issues I have is that you can come into the industry with very little qualification and then effectively operate on the same terms as someone who has been practicing professionally for 20 or 30 years.”



**PETER MALOUF**  
Training Director at  
McGrath

“There are some talented people who are graduating, however in most cases people would benefit greatly if they could then begin a traineeship under more senior agents who would act as their mentor and coach.”



**CAROLINE BOLDERSTON**  
Performance and  
Development Coach  
at Belle Property

“I do not think you can just take the theory and go out in the field and be successful. It has to be a combination of the theory, understanding and practice in the field.”



**SUE ALLEVA**  
Sales Manager at  
Hore & Davies

“From when I started 22 years ago, the training and quality of agents coming through is much better. When I started I was given a desk and a phone and told to go for it. The training has improved over the years 150 per cent.”

## FIND OUT MORE

Follow the lobbying work of REINSW online at [reinsw.com.au/lobbying](http://reinsw.com.au/lobbying) and download the NOLS Decision Regulatory Impact Statement and REINSW’s corresponding submissions.



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# 2013 REINSW Awards for Excellence Winners revealed ...

On 10 October 2013, property professionals from across NSW stepped out in style in Sydney to celebrate the achievements of their friends and peers at the 2013 REINSW Awards for Excellence Gala Dinner.

More than 450 guests arrived to find out which of the finalists would walk away with the prestigious Awards.

“I’m excited by the great pool of talent our finalists represent,” REINSW President Christian Payne said.

“The Awards for Excellence are a vital part of ensuring that our industry champions are celebrated for their achievements. The competition for this year’s Awards was fierce and the winners and finalists are the best in their fields.”





## 2013 Woodrow Weight Award winner

**Greg Paterson**  
REAL ESTATE EMPLOYERS' FEDERATION

REINSW President Christian Payne presented the 2013 Woodrow Weight Award to Greg Paterson, paying tribute to his passion and dedication to the real estate industry over the last 20 years with the Real Estate Employers' Federation of NSW.

The prestigious Woodrow Weight Award is the highest accolade that can be presented by REINSW and recognises outstanding service to the real estate profession. The Woodrow Weight Award is named after the legendary OBE recipient who was REINSW President between 1964 and 1965, and was the first Australian to be elected World President of the International Real Estate Federation in 1977.

"Greg Paterson is seen as a white-knight, working tirelessly on behalf of real estate agents to keep individuals and agencies on the straight and narrow – and in many cases, out of jail!" Christian said when presenting the award.

"He is recognised not only as New South Wales', but also Australia's, leading and most dominant expert in industrial matters affecting the real estate industry."

Christian recognised Greg's tireless work in getting out among practitioners, whether in metropolitan or regional areas, to ensure all real estate professionals in NSW receive the benefit of his knowledge, experience and advice.

"He is widely known for his approachable nature and willingness to engage with individuals and organisations at every level of practice within the industry," Christian said.

"There would not be a real estate agency in the state that has not benefitted from his 20-year passion for creating an industrial workplace environment built around fairness and professionalism."

Greg won the hearts of the crowd with an eloquent and emotional acceptance speech, where he thanked his team at the Federation and his family for their support over the years.

He closed the evening with a final sign off.

"Money isn't everything, but it will have to do until everything comes along. Well tonight, I think everything has come along," he said.

### WHO WAS WOODROW WEIGHT?

**1964-65:** President Real Estate Institute of New South Wales.

**1977:** First Australian World President of the International Real Estate Federation.

**1985:** Awarded OBE for services to real estate.

**1987:** REINSW President Robert Bevan introduced Woodrow Weight Award.

**To read Greg's speech in full you can link to the digital edition by clicking on the link on the REINSW homepage.**





1



2

## 1. Auctioneer

Andrew Cooley  
Cooley Auctions

(L to R): Christian Payne and Andrew Cooley.

## 2. Buyers' Agent

Richard Harvey  
propertybuyer

(L to R): Christian Payne and Richard Harvey.



3

## 3. Commercial Agency

CBRE

(L to R): Christian Payne, Tom Southern and Steve Bruss.



APEX Executive Interiors is an interior design firm that specialises in inspirational office fitouts from concept to completion. They consistently deliver large-scale office fitouts that reflect good design, functionality and budget.

## 4. Commercial Property Manager

Bethan Williams  
CBRE

(L to R): Christian Payne and Bethan Williams.



4



5

## 5. Commercial Salesperson

Daniel O'Brien  
CBRE

(L to R): Christian Payne, Daniel O'Brien and Steve Bruss.



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## 6. Corporate Support

Bree Higgins  
Cunninghams Property

(L to R): Christian Payne and Bree Higgins.



6



7

## 7. Holiday & Short-Term Rentals Agency

Visit The Entrance

(L to R): Christian Payne and Simone Koen.

## 8. Innovation

CBRE

(L to R): Christian Payne, Tom Southern and Scott Shepherd.



8



9



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## 9. John Greig OAM Community Service

Damien Cooley  
Cooley Auctions

(L to R): Christian Payne, John Greig, Damien Cooley and Mal Smith



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## 10. Online Presence

Morton & Morton

(L to R): Christian Payne, Sarah Fowell and Ewan Morton.



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## 11. Project Marketer

Gavin Lloyd and Rohan Ramsay  
CBRE

(L to R): Christian Payne, Rohan Ramsay and Gavin Lloyd.



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## 12. Real Estate Agency – Small

Hart Estate Agents

(L to R): Christian Payne and Alexander Hart.

## 13. Real Estate Agency – Large

Morton & Morton

(L to R): Christian Payne, Mark Morton, Noel Jenkins, Ewan Morton and Mike Andersen

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## 14. Residential Property Manager

Rebecca Kleiner  
Hart Estate Agents

(L to R): Christian Payne, Rebecca Kleiner and Jim Swan.

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13



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## 15. Residential Salesperson

Braden Walters  
True Property

(L to R): Christian Payne, Braden Walters and Tony Grainger.

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## 16. Rural Marketer

Richard Gemmell  
Elders Rural Services

(L to R): Christian Payne and Richard Gemmell.



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## 17. Young Agent

Peter Vines  
CBRE

(L to R): Christian Payne, Rohan Ramsay (accepted by Rohan Ramsay on behalf of Peter Vines) and Aaron Dodds.

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To view more photos from the night you can link to the digital edition by clicking on the link on the REINSW homepage.



# Temporary custodians

BY JILL PARK

Pop-up outlets are not a new concept, but their popularity has grown considerably in recent times. The *Journal* explores what agents need to know about short-term leases.

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Pop-up shops are becoming an increasingly common component of retail strips as people take advantage of empty outlets to set up a shop, bar, restaurant or some other type of temporary outlet.

“There’s certainly a trend for pop-up spaces in NSW, but ‘trend’ implies that it will pass,” Jones Lang LaSalle’s NSW Director of Retail, Property and Asset Management Peter Turner said.

“Pop-ups are temporary, but their existence in the current environment is anything but.”

### Opportunities

Richardson & Wrench Surry Hills/Redfern Principal Daniel Gunning has experience with managing short-term leases for everyone from drinks companies that want to put on a special event through to retailers.

“Obviously strip retail has had a high level of vacancies recently, so there has been a lot more opportunity to go in and do pop-up shops – especially for online retailers. They might use a space as an opportunity to do a promotion. They can do a store function to promote specific products and then leave them on display for a month,” Daniel said.

Pop-up shops allow retailers to trial new and innovative products and new locations before they commit to a longer retail lease.

“They can allow retailers who have left retail strips an opportunity to try a shopping centre environment without actually committing to a longer lease,” Peter said.

In February 2013 the Australian Competition and Consumer Commission granted authorisation of the *Casual Mall Licensing Code of Practice*. The code relates to the granting of a right to short-term leases (less than 180 days) within the grounds of shopping malls.

Peter pointed to the example of Westfield Pitt Street, which offers pop-up spaces in centre.

“**Short-term leases can account for as little as an hour through to a maximum of six months under the Retail Leases Act 1994.**”

“Shopping centres can leverage off marketing and PR to promote the centre, as the pop-up shops and in-centre markets stimulate consumer interest due to their varied and constantly changing nature. In addition, they fill spaces in between other lease agreements,” he said.

### Conditions of tenancy

Pop-up spaces must comply with the relevant land use zone in the local council’s Local Environmental Plan.

Tenants are also required to take out public liability insurance and have the required permits from the local council regarding the use of the premises.

The type of licences and permits required depends on the nature of the business. Therefore, it is strongly recommended that agents refer small business operators looking to open a pop-up space to the Office of the Small Business Commissioner’s Small Biz Connect program for specific advice.

### What do landlords think?

In Daniel’s experience, landlords can be hesitant to enter into short-term leases.

“Owners will consider it if a shop hasn’t been leased for a while, or if a property is under DA or due for redevelopment and the owner does not want to enter into a long-term lease,” he said.

Yet the benefits for landlords who take the risk are numerous. The cost of insuring a property that is left empty is higher than when it has a tenant, risk of vandalism or issues going unaddressed at the property are reduced, and commercial interest in the property may be renewed, particularly if the pop-up is a success.

Chris Yiallourous, Commercial Property Manager at Kellys Property in Newtown, will often advertise a property as available for long- and short-term leases.

Chris recognises that there are many pros to short-term leases. These include the landlord’s right to increase rent within one month’s notice and the ability to ask the tenant to vacate with one month’s notice or as agreed upon.

He warns that locking yourself into a short-term lease too early could cause landlords to miss out on long-term leases, but acknowledges that the pros outweigh the cons.

“It keeps the shops occupied and is good for other shops in the area, as it makes the street look busy,” he said.

### Agents beware

Short-term leases can account for as little as an hour through to a maximum of six months under the *Retail Leases Act 1994*.

Short-term contract tenants who remain in a property beyond six months have the right to revert to a long-term lease with the same terms as their short-term contract.

As a result, the tenant may be paying rent long-term at a reduced rate.

Agents are advised to get pop-up tenants to sign a contract that prevents their short-term contract from rolling onto a permanent contract if they choose to stay on in the property beyond six months (see box below). ♦

## THE LAW

Agents are advised to get all short-term tenants to sign a certificate to prevent short-term contracts rolling over into long-term contracts. Section 16(3) of the *Retail Leases Act 1994* defines these rules:

“This section does not apply to a lease if a lawyer, or a licensed conveyancer, not acting for the lessor certifies (before or within 6 months after the lease was entered into) in writing that:

- The lessee or prospective lessee requested the lawyer or conveyancer to give the certificate and;
- The lawyer or conveyancer has explained to the lessee or prospective lessee the effect of the subsections (1 and 2) that the giving of the certificate will result in section 16 not applying to the lease.”

## AGENTS BEWARE

Agents should protect themselves when overseeing short-term leases by ensuring that:

- the short-term lessee signs a certificate to prevent the lease running into a long-term contract;
- the lessee leaves the property within six months; and
- the lessee has public liability insurance.





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# Training calendar



## Certificate of Registration Course – 2-5 Dec

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## DECEMBER 2013

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

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

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

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

**4 Dec • SYDNEY CPD**  
Creating Impact and Influence  
(9.30am–1.30pm)

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

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



## People Management Essentials – 20-22 Jan

**Sydney** Explore the essential methods, styles and trends to excel in people and staff management skills. The three-day People Management Essentials course has been specifically designed for agents with a background in office management, staff management, and recruitment selection.

## JANUARY 2014

**6 – 10 Jan • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**20 – 24 Jan • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

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

**10 Jan • SYDNEY CPD**  
Creating Impact and Influence  
(9.30am–1.30pm)

**20 – 22 Jan • SYDNEY**  
People Management Essentials  
(9.30am–4.30pm)

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

**13 – 17 Jan • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

**20 – 24 Jan • SYDNEY**  
Certificate of Registration Course  
(9.00am–5.00pm)

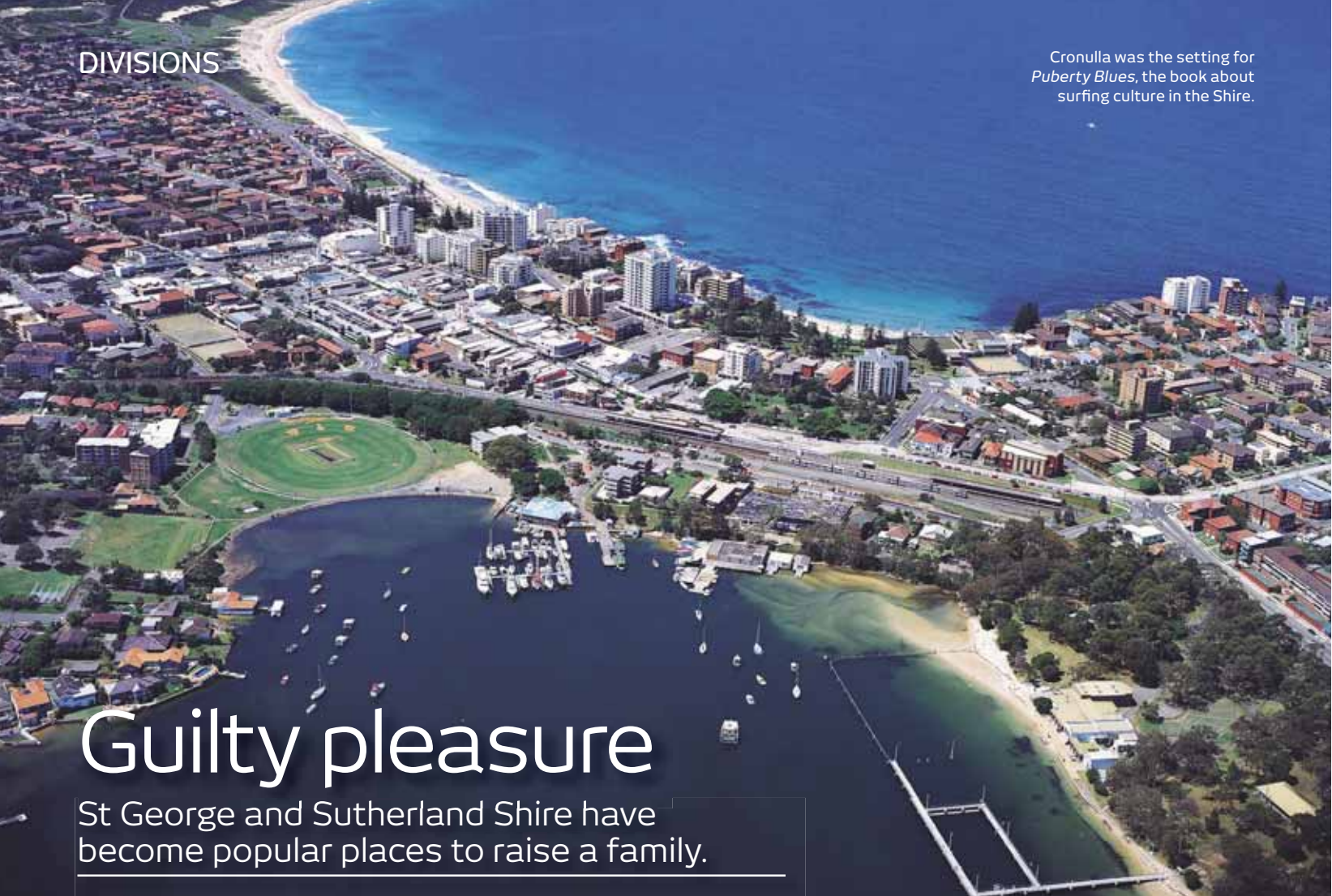
**29 – 31 Jan • SYDNEY**  
List and Market Property Essentials  
(9.30am–4.30pm)

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

### WANT TO KNOW MORE?

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Click on Course Schedule in the Training menu.



# Guilty pleasure

St George and Sutherland Shire have become popular places to raise a family.

Located to the south of Botany Bay and the Georges River, the Shire encompasses 370sq km. The Sutherland Shire Council is the second largest council in terms of population in NSW, with approximately 220,000 people living in the Shire. An estimated 1.1m visitors flock to the area every year.

“It’s often joked that Shire locals never leave the area and there’s a reason for that,” Manson Property Director Lené Mitchell said.

“The Shire offers an ideal mix of coastal relaxation and cosmopolitan luxury. You feel instantly rejuvenated when you arrive. You can’t help but stop, soak in the sights and enjoy the natural beauty of the area.”

Housing styles vary across the Shire. Many Menai properties date back to the late 1970s/early 1980s and have been purpose-built for families.

Meanwhile, Barden Ridge includes a new residential development of freestanding duplexes and townhouses, which have an emphasis on quality. Many homes in the Barden Ridge area, particularly those with panoramic views, have been architect designed.

### Family-friendly facilities

“The area offers good value for money and enjoys outstanding sporting facilities, well-regarded schooling options and a close community,” Lené said.

To the north of the Shire lies the area of St George. Within its boundaries are the cities of Hurstville and Rockdale and the municipality of Kogarah.

“The St George region’s popularity is largely due to its proximity to the city, myriad lifestyle options and essential amenities on offer,” Complete Home Hunters Principal Sue Kenaly said.

### Gateway to the Shire

“Particularly admired is the suburb of Sans Souci. Lady Robinsons Beach and Cook Park run along its eastern border and Kogarah Bay is to the west.”

“**The Shire offers an ideal mix of coastal relaxation and cosmopolitan luxury.**”

Sans Souci, which loosely translated from French means ‘without care’, is a popular suburb. Many residents stay in the area, enjoying the relaxed atmosphere its name reflects.

“As the gateway to the Shire and with easy access to the CBD, Sans Souci’s central position

is also a big positive in the real estate stakes where location is paramount,” Sue said.

“With recent low stock levels, Sans Souci has also been performing very healthily in both the sales and rental markets.”

Low stock levels and interest rates are spurring buyers into action, according to Sue.

“There is a good spread of housing available – from more affordable apartments to luxury homes. There is also quite a lot of residential development along the commercial strips, which is favourable to those seeking to utilise the First Home Owner Grant.”

Recently, the St George area has experienced several sales over the \$3m mark, including a non-waterfront home, something which was previously unprecedented for the region. ♦



## AROUND ST GEORGE & SUTHERLAND SHIRE



The Royal National Park, just south of Cronulla in the Shire, was established in 1879 and covers 16,000 hectares. It is the world's second oldest national park after Yellowstone in the USA.



Cronulla is the only Sydney beach that can be reached by train. It holds the title as being home to Sydney's longest stretch of sand.



Bundeena means 'noise like thunder' in the local Aboriginal language. The seaside village borders the Royal National Park and Port Hacking River.



St George Motor Boat Club in Sans Souci, overlooking Kogarah Bay, is renowned for its restaurant The Captain's Grill.

### SUTHERLAND SHIRE KEY STATS

People	210,863
Private dwellings	82,692
Median weekly household income	\$1674
Median monthly mortgage repayments	\$2400
Median weekly rent	\$370
Median house price*	\$755,000
Median unit price*	\$482,000
Vacancy rate^	1.5%

**Source:**

Unless otherwise specified, statistics are sourced from 2011 Census.  
 \* REINSW Property Profile – June 2013, median price refers to Local Government Area.  
 ^ REINSW Vacancy Rate Survey – September 2013 (Sydney – outer suburbs).

## Q&A



**LENÉ MITCHELL**  
 Division Chair  
 St George & Sutherland Shire

Lené Mitchell has held the role of Division Chair since 2010. She was honoured with the Brian Bowles Award for the most active Chair in the same year and the Russell Jackson Award, for her continued support of REINSW, the following year. She is also one of the Directors of Manson Property in Menai.

**Q. Tell us about your Division.**

**A.** Over the past four years, our Division has successfully raised \$30,000 for the Sylvanvale Foundation supporting disability services through its annual Novice Auctioneers Competition.

**Q. What are the key employers in the area?**

**A.** Key employers and employment opportunities include Toyota, Westfields, Sutherland Hospital, St George Hospitals – both public and private – and the Australian Nuclear Science and Technology Organisation in Lucas Heights.

**Q. What is the property market like at the moment?**

**A.** I believe our property market is growing. Stock shortages and record-low interest rates are driving price growth in some circumstances and the low- to mid-priced dwellings are selling quickly. The emergence of self-managed super funds is also a driving force in the lower end of the market.

**Q. How has your Division changed over the years?**

**A.** In the Sutherland Shire we are experiencing a lot more development than we have seen in the past; e.g. Green Hills Cronulla, Heathcote Ridge, Shark Park, West fields Miranda expansion. Ramsgate Beach in St George is also home to a new 39-apartment building due for completion in May 2014.

### Interested in getting involved?

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



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- ☀ TRA abides by "Property, Stock and Business Agents Amendments (Tenant Databases) Regulation 2004".



## LAST WORD

Di Jones, namesake of Di Jones Real Estate, with one of the 2012 winners.



# Creative licence

The Matthew Jones Foundation couples the celebration of young artists with raising considerable amounts of money for two special needs schools in Sydney.

Each year Di Jones Real Estate organises an exhibition of artwork supplied by budding young artists from primary schools across the Eastern Suburbs.

Schools are invited to participate and the winning children receive their own prize package and \$1000 for their school.

The event was started by the agency in memory of Matthew John Jones, the son of agency founders Bill and Diane, who was born with severe physical and mental disabilities and required specialist medical care throughout his life.

### History

The Foundation was established in 2009 with the aim of raising funds for two special needs schools: Warrah Special School, where Matthew had spent much of his life being cared for, and Waiora School.

“We decided to start up an art award, so we invited

about 35 schools throughout the Eastern Suburbs to participate in our art competition,” Di Jones Real Estate Managing Director Susannah Anderson said.

“This year we are extending and inviting new schools in. The children love it. Our agents go to the schools and present cheques, so the children get acknowledged in front of their peers.”

### Exhibition opening

Artwork is displayed at the Sherman Contemporary Art Foundation in Paddington and sold for \$50 per piece to raise funds to support Warrah and Wairoa schools. Each year Di Jones Real Estate gives \$6000 in prize money to local schools.

Local businesses such as Thomas Dux Grocer, Ravesi’s hotel, Jo Malone boutique, CHISWICK Restaurant and Bar, The Woollahra Hotel and Lesley McKay’s Bookshop, to name a few, have also shown strong support for

the cause by donating raffle prizes.

Over the past four years, more than \$40,000 has been raised for several schools throughout Sydney’s Eastern Suburbs, as well as Warrah and Wairoa schools.

### New avenues

Now in the fifth year of organising the art competition, Di Jones Real Estate is looking forward to opportunities to expand its fundraising efforts.

“If we add more events, it will be with an eye to increasing dollars for the Foundation to distribute to special needs schools,” Susannah said. ♦

### 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

### NT

A total of 19 stations are currently on sale in the Northern Territory, according to reports in the *Northern Territory News*. Together the properties equate to an area bigger than Belgium, comprising a total of 51,357sq km, the newspaper reported.

### QLD

A luxury property built by a Malaysian prince as an exact replica of his father’s property has been sold in Gilston on Queensland’s Gold Coast. Scott Bennett of Ray White Robina/Varsity acted as the agent for the sale: “It is believed the prince built the replica so that even if he arrived here at night, he would be able to find light switches and navigate the home easily.”

### VIC

Melbourne’s iconic Little Collins Street is expanding. “A number of local Australian fashion retailers have identified Little Collins Street as a trendy, thriving retail precinct that is fast becoming more popular than its biggest rival – Flinders Lane,” CBRE Retail Leasing Agent Zelman Ainsworth said. “Landlords are consistently achieving record rents in the Little Collins Street shopping precinct as a result of the strong level of interest currently being shown in the area.”

### WA

Ever wanted to own your own town? Well, make your way to the outskirts of Manjimup in the south-west of Western Australia. The 100-year-old heritage-listed and privately owned town sprawls over 70 acres and includes three cottages, a town hall, a general store and a caretaker’s office. Local agent Juliana Szodorai of Buy and Sell Realestate.com in Westminster has put the town up for sale for \$1.9m. The properties are currently being used for holiday rentals. ♦

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