

industry summit

Your industry's future in focus

REINSW INDUSTRY SUMMIT
PROGRESS REPORT

July 2016

1. The rapid rate of change

What we found at the Summit:

How can technology be used to help the profession to move forward?

Technology has very quickly become central to everything that we do. The release of the iPhone in 2007 allowed anyone to have access to the web in the palm of their hand – anywhere, anytime.

Since then the rate of change has been rapid, and it is accelerating. Businesses need to adapt to this rapid change, or they will soon be left behind. For this reason it is important for the real estate profession to embrace the opportunity to change, and to use the challenges posed by digital disruption as an opportunity to adapt and move forward.



What's happened since?

We are using third party software integrations with the REINSW platform, REI Forms Live, to improve compliance, efficiency and commercial opportunities while adding value to agents' traditional services.

At the REINSW Roadshow we have also heard from realestate.com.au how technology will change the way agents and consumers interact. We need to be ready for this and embrace it.

There has been much debate around electronic signatures and their legality. Electronic signatures are legally binding and safe to use for most contracts, for example agency agreements.

REINSW has introduced electronic signatures into its REI Forms Live platform to empower agents to move with the times.

In this pilot stage it is being offered only to those agencies who have signed up to be a distributor of the [Realtyprotect landlords' insurance](#), and the electronic signatures functionality is enabled just for the Management Agency Agreements.

In time we will enable the electronic signatures functionality to be used in other agreements and forms.

2. Educating the agents of the future

What we found at the Summit:

How should a national real estate body come together to best benefit the industry?

- **Education standards**

Delegates were united in the view that education standards need to be vastly improved. Indeed, in order for the profession to survive the challenges of disruption, it was unanimously agreed that significantly improving education standards is critical.

- **Education and consumers**

Allowing the government to 'dumb down' education standards has been a lose-lose situation. Consumers lose because they are not receiving a service they expect and deserve, and agents lose because the reputation of the profession is tarnished.

What's happened since?

REINSW has been lobbying the NSW Government for the past 10 years on the diminishing education standards for the profession. If government improves the training requirements to enter the profession, stay in the profession, and manage and supervise an agency, then we will achieve better consumer experiences. What is good for the consumer is good for the profession. REINSW is firmly of the view that the overwhelming majority of issues that attract the attention of the regulator and aggravate consumers can be resolved by substantially improving the education of property professionals for both entry and continuing professional development.

REINSW was pleased to finally get a commitment from Premier Baird that once his government was re-elected in 2015 that a reform agenda would commence.

The Minister for Innovation and Better Regulation, Victor Dominello, was charged with the task of working with industry bodies to "raise the bar". To that end he asked Fair Trading to commission a property services training review by an independent panel to look at education standards. He also established a new Real Estate and Property Division within Fair Trading, with its own dedicated assistant Commissioner, which has a clear focus on consultation and collaboration. It also includes the Real Estate Reference Group which meets regularly and is working through the issues inhibiting good agency practice.

In January 2016 the industry was asked to make a submission to Fair Trading's Property Training Review team. REINSW made its submission in January 2016, called "*A review of training for licensed occupations in the New South Wales property services industry*".

We proposed:

- additional training for entry to the profession
- a period of on-the-job experience before an unconditional Certificate of Registration is issued
- a diploma level training to attain a licence
- additional education and experience requirements before someone can become a licensee-in-charge
- A CPD program that is properly policed and focuses on compliance and the legislative environment to ensure agents are properly informed and educated.

The Minister will shortly announce the outcomes of the review mapping out the way forward for education standards within the profession. Having been closely involved with this process all the way through we're confident that many of our recommended changes will be implemented.

3. Viewing the industry differently

What we found at the Summit:

Does the industry consist of just real estate agents?

- **The real estate ecosystem**

In order to meet the challenges of disruption, delegates said that we need to change the way we view the industry. Online media, print media, web portals, technology suppliers, data suppliers and many other stakeholders are all part of the real estate industry – in fact it's a real estate 'ecosystem'.

- **A united front**

Gone are the days when the profession could afford to work in silos. The entire real estate ecosystem needs to work together in order to achieve the best possible outcomes for consumers, agents, suppliers and other stakeholders.



What's happened since?

John Cunningham, REINSW President, and Tim McKibbin, REINSW CEO, have been engaging with a range of stakeholders to involve them with both the REINSW and the industry. For example:

Fair Trading

- We have visited Fair Trading's Parramatta office on a number of occasions to meet with senior people in the Real Estate and Property team, and brief them on the practical issues being faced in the field
- The Assistant Commissioner and his senior managers met with hundreds of agents at our Underquoting Information Sessions that ran from October to March, plus through our 20-locations NSW-wide Roadshow which ran from April to July
- A number of the new NSW Fair Trading property team undertook the Certificate of Registration Course at the REINSW to get a better and deeper understanding of what it is to be an agent.

Other issues discussed with stakeholders

- **Planning.** REINSW has always been of the view that on planning matters it is neither a “yes” or “no”, but on most occasions a “maybe”, which results in unnecessary costs and delays. Unfortunately, all too often the Land and Environment Court becomes the consent authority, and not the local council. Planning decisions are often unduly influenced by local council politics rather than good planning policy.

REINSW has put forward a solution to the uncertainty of planning, by removing the planning function from council and vesting it with the state government.

- **Retail leasing.** Following the similar successful model employed in the Residential Tenancies Act, we believe that a standard and mandatory retail lease should be introduced as a schedule in the Retail Lease Act. In response to a review of the Act by the Office of the NSW Small Business Commissioner in November 2013, we lodged a [submission](#) which called for a standard lease to be introduced and eventually made mandatory. REINSW was then invited to sit on a drafting committee with the Office of the NSW Small Business Commission and NSW Business Chamber to draft a standard retail lease. The drafting committee regularly meet to progress the project, and importantly all three parties are in agreement that there should be a standard lease. This would allow real estate agents to prepare the lease, driving efficiencies and economies.
- **Swimming pools.** We worked very hard to make sure this legislation was brought in with as little disruption to the profession as possible. We were largely successful in that regard and without our involvement it would have been introduced two years earlier and would have caused significant market disruption.
- **Real Estate Institute of Australia (REIA).** REINSW has re-joined the REIA. We are committed to participating in a national body focussing on the important issues. This new structure has occurred following on from the charter of reform proposed earlier this year by REINSW to the Board of REIA. The need for an effective national voice and a collaborative business model where duplication of services is eradicated and skills are shared for the common good is a strong argument to rebuild the national body. On re-joining the REIA on 1st July 2016 we have had to pass on a very small cost to each and every member of REINSW. We expect to see massive returns on that investment for all members across Australia in a short time frame.

REA Group

- We have held a number of meetings with REA's senior leadership team to ensure their suite of services continue to respond to the contemporary needs of the profession.
- REA's NSW Sales Manager Derek Taylor has presented at the 20-location NSW-wide Roadshow and demonstrated the new technology opportunities to enhance agents' services.

Suppliers

- The REI Forms Live product is integrating with more and more systems to create an IT ecosystem for the profession, delivering efficiencies, additional online services and cost savings.
- We encourage suppliers to contribute their thought leadership to the industry through content featured in the Journal, our website, and newsletters.
- Through the integration with REI Forms Live, one of the positive outcomes has been the creation of additional services that agents can offer to their clients (eg Landlords' insurance).

4. Providing clients with choice

What we found at the Summit:

Why does the one-size-fits all approach no longer apply?

Delegates were vocal about the fact that the profession can no longer afford to offer a one-size-fits-all service. While one client may want an agent to provide an end-to-end service including everything from property styling and photography through to organising removals and utility connections, another may want an “a la carte” service where they can pick and choose the things they want the agent to do.

Consumers expect choice, so agents need to reinvent their service offering to give them that choice. Agents need to adjust their mindset to allow consumers to choose the level of service they want.

What's happened since?

REINSW President John Cunningham has established an innovations and advisory sub-group of the Board.

Consisting of leading industry leaders Ewan Morton, Chris Mourd and Brad Caldwell-Eyles, the group is looking at the future of the profession. This includes looking at opportunities which are “outside the box” to ensure a relevant, engaged and invaluable property services profession continues in this time of disruption.

Disrupters - At the Industry Summit the decision was taken to disrupt ourselves. We have seen in other industries where the incumbent service provider has been disrupted due to technology advancements.

The most recent and publicised disruption was Uber and the taxi industry. It is inevitable that traditional real estate practice will be disrupted.

The Industry Summit took the proactive approach of disrupting the industry in advance of external forces. The embracing of contemporary technology as part of the agents' traditional services is in part a strategy to combat external disruption.

5. Catering for micro-moments

What we found at the Summit:

What can the profession do to take advantage of micro-moments?

Consumers now have a wealth of information at their fingertips. However delegates agreed that more does not necessarily equal better. Information is only powerful if the consumer knows how to interpret it in a way that is meaningful and relevant to their situation. This is where agents can step in as advisors and provide real value to the relationship with their clients. Agents need to become the educators, and help their clients navigate their way through all the ‘noise’ and make the right decisions.

What's happened since?

REINSW is in consultation with data providers to offer agents new products that will respond to their individual client's requirements. This has included a number of meetings with providers of relevant services to enable agents to access these services at the appropriate time in the workflow. Being at the forefront of new data technologies will provide our members with opportunities that could provide game changing opportunities at our finger tips instead of waiting for other stakeholders to produce the goods. There will be more news on this in the coming months.

6. Positioning agents as educators

What we found at the Summit:

Consumers now have a wealth of information at their fingertips, so what does this mean for agents?

Whether we are waiting in line at the supermarket checkout, filling up our car at the petrol station or sitting on the bus or train on the way to work, we don't waste a moment. We are on our smartphones and mobile devices checking emails, surfing the internet or looking at our social media feeds. These micro-moments are how we consume information. Therefore, to communicate effectively with consumers, agents need to cater for these micro-moments and ensure that they are delivering information in such a way that it can be consumed in a short space of time – and in an engaging way.



What's happened since?

There is an abundance of information and data freely available at a minimal cost to consumers. Much of this information is simply noise around the relevant data required by the agent's client to make informed decisions.

It is the agent's role to decipher, compile and explain the relevant data for the client which responds to their individual needs. Agents need to analyse the various data-sets available to create a consumable product to in part demonstrate their value to the transaction. Some very interesting work is happening in this space and more will be revealed shortly.

7. Preserving the human element

What we found at the Summit:

Do consumers still value the human element?

Real estate has been, and always will be, about relationships. Delegates agreed that digital disruption will not change that. As more and more disruptors enter the space, the agents who focus on building and retaining strong, valuable and longstanding relationships will be the ones who survive.

What's happened since?

REINSW is on a campaign, through education and embracing technology, to improve and enhance the suite of services and the value of the agent in the transaction. REINSW does not believe that we need to see technology as a threat, but more of an opportunity to improve what we do.

Technology will provide us with the binary applications to enhance our effectiveness in the workflow. However, it will be the agent's ability to solve complex high level problems with creative solutions to a sophisticated marketplace that will cement the agent as an indispensable part of a thriving property sector. Therefore, agents need to ensure they have the professional skills of trusted advisors.

Moving forward

The 2015 Summit has acted as a positive next step on our journey to Professional Standards, and REINSW is committed to working with agents and the wider property sector ecosystem to drive stronger integration and better communications across all stakeholders to shape the future of our industry and profession..

