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REAL ESTATE

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REAL ESTATE INSTITUTE OF NEW SOUTH WALES | MAR/APR 2017 VOL 68/02

Always above and beyond

How Laetitia Pearce
invests in her property
management career



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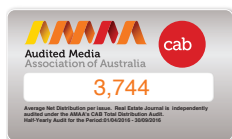
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Are your clients foreign persons who own residential land in NSW?

Your clients may need to pay a new surcharge land tax (surcharge) which was introduced in the 2016 NSW Budget

What is land tax surcharge?

A surcharge of 0.75 per cent is to be paid from the 2017 land tax year on residential land in NSW owned by foreign persons. Foreign persons must pay the surcharge on the value of all residential land they own, including their principal place of residence.

The surcharge is assessed in relation to each parcel of land and is proportional to ownership. There are no joint assessments and secondary deductions do not apply. The surcharge is in addition to any land tax which may be payable, and the tax-free threshold does not apply.



A foreign person can be:

- an individual
- a corporation
- a trustee of a trust
- a beneficiary of a land tax fixed trust
- a government
- a government investor
- a partner in a limited partnership.

An individual, who is not an Australian citizen, is a foreign person if they are not ordinarily resident in Australia.

Australian citizens **are not** foreign persons, no matter where they reside.

How you can help your clients

Make sure your clients are aware of the surcharge:

- download a flyer from **osr.nsw.gov.au/surchargerei** and send it to your clients
- refer your clients to **osr.nsw.gov.au/surcharge**

From March 2017, we will issue assessment notices that detail land tax surcharge calculations for payment.

Encourage all your clients to:

- pay their land tax assessment
- tell us if they are a foreign person at **osr.nsw.gov.au/taxes/land/online** to update their foreign status and residential land details.

More information about the definition of a foreign person and residential land is available at **osr.nsw.gov.au/surcharge**.

At the crossroads

Change is inevitable. Change is good. And the best type is the change we bring about ourselves.



Which road will you take? Will you tread the track of least resistance and continue with the status quo? Or will you boldly set out on the pathway toward professionalism?

Disruptors. Distractions. Dilemmas. We've been hearing about the dreaded Ds and the enormous impact they're going to have on the real estate industry for what seems like years. But while we're still waiting for that watershed moment of change to happen, one thing is for sure – we've allowed ourselves to be diverted from our main purpose.

Far from focusing on increasing our service offering and strengthening our value proposition as agents, we've instead spent our time looking over our shoulders at what others are doing. We've been too focused on the external forces of change, rather than being our own force for change.

The industry we find ourselves working in today is very different to the industry as it was just a few short years ago. The traditional suite of services provided by agents is under attack. There's a lot of money in real estate and people are designing electronic solutions to do all or part of our job. Referral sites, agent rating sites, valuation tools, consumer advocates – they're all looking for ways to take a bigger slice of the real estate pie.

That's why it's vital for us to keep asking ourselves what changes we need to make to ensure our survival. What do consumers want from the real estate professional of the future? What will our role be? How will we interact with clients? And, importantly, what value do we bring to the table?

Be the change we want to see

Society has changed. Expectations have changed. Everything has changed, except the way we deal with the transaction. We need to look at the services we're providing and the value those services afford to our clients – not just in the short term, but over a much longer period. We need to look beyond the immediate transaction.

As agents, we're in a unique position to extend and deepen our involvement in all stages of the real estate transaction by building and nurturing relationships with clients that extend beyond the obvious moments of buying, selling and leasing.

We need to position ourselves as professionals at the centre of each and every real estate transaction. We need to offer a wide range of services to our clients, provide creative solutions to complex problems and give sound information and advice about the property and the market. And we need to have a reputation for providing a high level of service and behaving ethically and honestly. Everything we do must be about increasing the quality of our service, rather than attempting to resist the changing environment around us.

Decision time

Our industry is at a crossroads – one that presents us with the most critical choice we've been posed in more than 100 years.

Which road will you take? Will you tread the track of least resistance and continue with the status quo? Or will you boldly set out on the pathway toward professionalism?

At REINSW, we believe the right decision is clear. That's why we've been working closely with the Professional Standards Councils and its agency, the Professional Standards Authority, as well as industry leaders over the last couple of years to map out our path to being formally recognised as a profession. You can read more about our journey toward professionalism on page 24.

Our journey will require us all to change – our attitudes, our behaviours and the way we collectively present ourselves. But by working together we can be the change we want to see.

John Cunningham
REINSW PRESIDENT

RETAIL LEASE REFORMS A LOST OPPORTUNITY

REINSW President John Cunningham has said that the retail leasing industry and small businesses throughout NSW have been let down by the government's failure to introduce a standard mandatory lease for strip shops.

"The reforms introduced into parliament on 21 February 2017 were an opportunity to make doing business easier for tenants, landlords and agents on the retail strip," Mr Cunningham said.

REINSW has been pushing for a standard retail lease for strip shops for some time.

A standard retail lease would streamline processes, allow leases to be entered into on the spot and would make dispute resolution easier.

"Similar to the standard Residential Tenancy Agreement provided for in the *Residential Tenancies Act*, a standard retail lease would streamline processes, allow leases to be entered into on the spot and would make dispute resolution easier.

"A standard retail lease would have allowed the retail sector to enjoy huge economies and efficiencies. Instead, the opportunity has been lost."



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What Sydney's median house price will buy you in the US

Property prices in Australia are higher than ever before, with the median house price now more than \$1.1 million. So how does Sydney compare to the US?

Los Angeles is Australia's favourite city for househunting, according to US property portal Zillow. And it's not surprising – why would we want to leave the warm weather and beaches behind? At \$US829,000 (\$AUD1,078,780), you can snag a LA trademark four-bedroom, 1950s style bungalow.

If LA isn't for you, the Big Apple may be within reach. Surprisingly, New York City's median house price is less than Sydney's at \$US626,600 (\$AUD815,395). While you won't have a backyard, you'll still be within reach of Central Park.

But if the windy city – Chicago – is more your speed, you can grab a bargain. For a quarter of Sydney's median house price (\$US214,100; \$AUD283,320), you can buy an average-sized four-bedroom home in Chicago.

One thing's for sure – Sydney is expensive!



Images from top: Los Angeles bungalow, New York City apartment, Chicago four-bedroom home.

NSW FAIR TRADING UPDATES NEW TENANT CHECKLIST

An updated version of the New Tenant Checklist, which must be given to all tenants at the start of a tenancy agreement, is now available.

The changes require landlords and agents to provide tenants with the option of using Rental Bonds Online to pay their bond, without the need to fill out and sign a bond lodgement form. It is now mandatory for landlords and agents to allow tenants to lodge their bond electronically.



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Real-time auction data at your fingertips

The days of using a traditional bidder's card at auctions may soon be gone with the launch of Auction Information Manager by one of NSW's leading auction companies, auctionWORKS.

Developed in conjunction with DataKatch, the system allows agents to easily monitor, track and analyse their auction results and data in real time including the number of auctions, clearance rates, properties sold prior to auction, registered bidders and more. And it allows for easy analysis of past data against current results.

"We believe it's one of the industry's most innovative uses of technology when it comes to conducting auctions," auctionWORKS' Jesse Davidson said. "One of the unique features of the Auction Information Manager

is the bidder ePaddle, which enables bidders to use their smartphone as an electronic bidder paddle."

Benefits of the system include:

- Saving money spent on stationery, printing and archiving, because all property and auction data is stored electronically
- Pre-registration of bidders prior to auction day, as well as on the day
- All information and data is stored and saved in the system, and can be exported in CSV format
- Electronic ePaddles on smartphones display bidder numbers and current bids – perfect for overseas buyers
- Users can monitor their auctions in real time from anywhere, anytime because of the cloud-based interface.



To find out more about Auction Information Manager, go to auctionworks.datakatch.com.au

REINSW proposes stamp duty breaks for downsizers

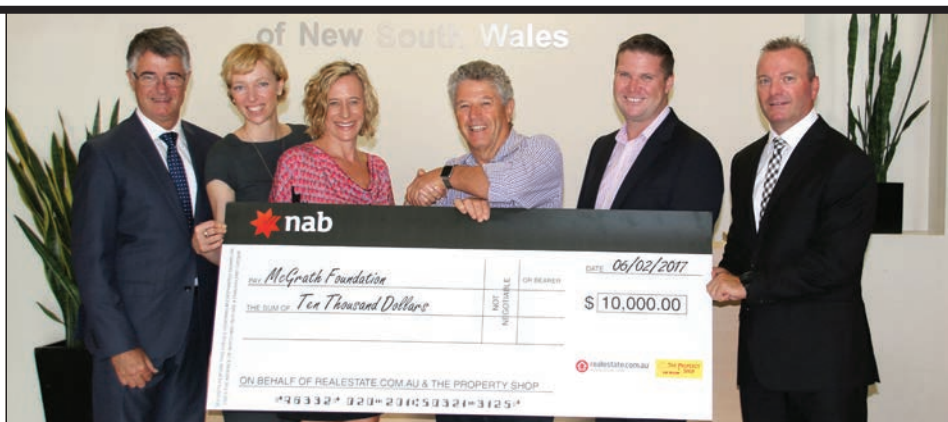
REINSW is calling for the NSW Government to provide retirees with a 50 per cent reduction in stamp duty for any residential property purchased up to the value of \$1 million to replace an existing residential property.

Comments by NSW Premier Gladys Berejiklian that she's open to tax changes to improve supply and housing affordability are a step in the right direction, according to REINSW President John Cunningham.

"The Premier has stated that the key to housing affordability is supply," he said. "However supply isn't just about new houses. One of the keys to housing supply is unlocking existing properties held by retirees.

"Buyers are now forking out more than four per cent of the value of a property on stamp duty and this is stopping the supply of established homes flowing into the market.

"By providing stamp duty incentives to older Australians we will see many more properties coming onto the market. A single transaction can set off a chain reaction that leads to 10 sales. And if we can get the supply of existing properties flowing, then price pressure will begin to ease."



REA GROUP DONATES TO MCGRATH FOUNDATION

REA Group recently presented a cheque for \$10,000 to REINSW member and Director of The Property Shop in Mudgee, Hugh Bateman, at REI House in Sydney. The money will go to the McGrath Foundation and is a result of Hugh winning the Contribution to Community award at the 2016 Annual REA Excellence Awards.

In October 2015, Hugh embarked on a 2900km journey across NSW on a pink tractor, with the aim of raising \$250,000. Since then, he has helped organise Pink Up Mudgee which saw 280 businesses turn pink in October 2016.

"So far we've helped raise \$520,000 for the McGrath Foundation and the experience has been very humbling," Hugh said.

"We've received so much support from our agent friends and the community, and the money will make a big difference to the lives of those who suffer from breast cancer."

Hugh's fundraising efforts have resulted in a breast cancer nurse being appointed to support families in the Bankstown, Liverpool and Fairfield communities.

"When the McGrath Foundation started out, it only had four breast cancer nurses. It now has 117. I'm proud to have done my part to help that," Hugh said.

Real Estate's Big Day Out

ROADSHOW

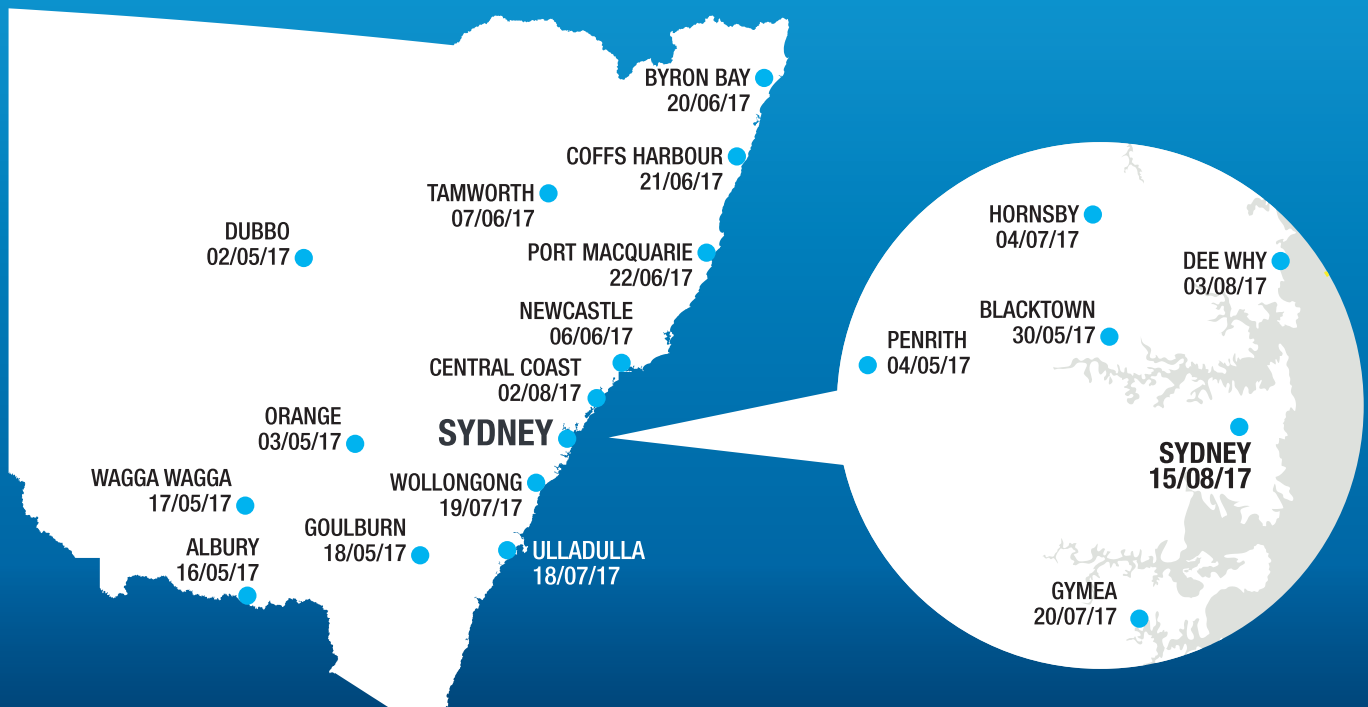
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What's the buzz?

The announcement of Gladys Berejiklian as the new NSW Premier led to renewed calls from across the real estate industry for action to address housing affordability. REINSW led the charge, calling for stamp duty reform.



By providing stamp duty incentives to older Australians to downsize, we will see many more properties coming onto the market. One transaction will set off a chain reaction that leads to 10 sales.

JOHN CUNNINGHAM
REINSW President

Stamp duty concessions for Baby Boomers is groundbreaking for affordability
news.com.au, 24 February 2017

A review of the tax system is necessary immediately. REINSW proposes a one-off 50 per cent concession for the over 65's up to \$1 million, another step that will help to get the supply chain moving.

JOHN CUNNINGHAM
REINSW President

New NSW Premier to prioritise housing affordability, industry reacts
Elite Agent
24 January 2017

It's time for a Premier to step in and take charge. We believe Gladys Berejiklian has the potential to be the Premier who leads NSW into a future where property consumers aren't being ripped off by outdated stamp duty brackets.

JOHN CUNNINGHAM
REINSW President

NSW Premier urged to look beyond supply
Australian Broker
25 January 2017

People just can't afford the Sydney market, especially as wages aren't keeping pace with the increases in property values. There has to be a point where people can't afford to keep going up with rent as well.

TIM MCKIBBIN
REINSW CEO

One step forward, two steps back as rents slip in Sydney's apartment market
Domain
24 January 2017

We're not asking government to reduce its revenue. To the contrary, we believe based on the experiences in other states that a reduction in the stamp duty rate will generate additional market activity.

JOHN CUNNINGHAM
REINSW President

REINSW wants stamp duty reform after Gong named third most expensive city
Illawarra Mercury
27 January 2017



READ MORE
reinsw.com.au/journal



For many people, stamp duty makes it impossible for them to afford to move. But the impacts of this tax – for which consumers receive no service in return – run much deeper down the supply chain.

LEANNE PILKINGTON
REINSW President Elect

'Obvious' affordability solution ignored: REINSW
Australian Broker, 16 January 2017

Premier Berejiklian and her government will see a \$4 billion surplus for 2016-2017. By cutting stamp duty we are not asking government to reduce its revenue. We believe a reduction will in fact generate more market activity.

JOHN CUNNINGHAM
REINSW President

New Premier means time to review stamp duty, says REINSW
The Real Estate Conversation
23 January 2017

The NSW Government has seen windfall after windfall in recent years and it's time to give back. We urge Premier Berejiklian to recognise that stamp duty has not been reviewed for 30 years.

JOHN CUNNINGHAM
REINSW President

There are more suburbs in Sydney with houses worth more than \$2m than under \$600k
news.com.au
17 February 2017

Hefty stamp duty costs are to blame for putting people off upgrading. NSW Premier Gladys Berejiklian has said she is 'open-minded' about introducing more stamp-duty concessions.

JOHN CUNNINGHAM
REINSW President

Seller's market reigns as vendors make buyers wait for keys
The Daily Telegraph
11 February 2017

Buyers are now forking out over 4 per cent of the value of a property on stamp duty and this is stopping the supply of established homes flowing into the market.

JOHN CUNNINGHAM
REINSW President

Two-pronged approach to easing Sydney's affordability issues
Real Estate Business
2 February 2017



Always above *and* beyond

Laetitia Pearce used her passion for problem solving and love of customer service to launch a new career in property management. Here's why she believes it's one of the most challenging and rewarding paths in the real estate industry.

By **TINA LIPTAI**

While it's not entirely true to say Laetitia 'stumbled' into her career in property management, she admits when she landed the receptionist role at Home Specialist Property Management in 2010 she had no idea it would be the start of an exciting new career.

Armed with a degree in hospitality and business, Laetitia had been working in hospitality for six years when she decided she needed a change – but had no idea what direction her career would take next.

"I took the job thinking I would just do it while I figured out what I wanted to do next in my career. But I fell in love with the team, the work and all the opportunities I saw in a career in property management and I have been here ever since," she explained.

From her role in reception, Laetitia became a property officer, then property manager and was recently promoted to senior property manager.

Winner of the Residential Property Manager category at the 2016 REINSW Awards for Excellence, Laetitia credits her success and steady rise to seniority to her genuine passion for problem solving, dedication to customer service and personal investment in her professional development.

“

To be a good property manager you need to be a problem solver, a people person and have a positive attitude.

Not just a stepping stone

Like many agents who have chosen to specialise in property management, Laetitia knows there is so much more to her role – still often seen as a 'stepping stone to sales' – than most people assume. And while she finds it deeply rewarding, Laetitia admits it's not the sort of career that would suit everyone.

"It's fast-paced. You have to deal with people from all walks of life and it can be challenging at times. I find it very satisfying, but it's definitely not for everyone," she said.

A genuine love of customer service and ability to build and maintain strong long-term relationships with clients is key.

"It's a very different skill set to working in sales," Laetitia said. "To be a good property manager you need to be a problem solver, a people person and have a positive attitude. There are some days when you're dealing with complaint after complaint after complaint, and if you can't stay positive and be resilient then you won't like your job."

"Tenants and landlords can be challenging, you often need to deal with difficult situations and have hard conversations. You have to be a good negotiator and an excellent communicator if you want to be successful in property management."



I know some people find change hard, but it's one of the things I love most about the real estate industry and it's what keeps things interesting, challenging and exciting.

Embrace the challenges

Whether it's managing client expectations, staying on top of changing legislation or harnessing the power of new technology, Laetitia loves change and relishes the challenges of working in property management.

"This industry is always changing, you have to embrace it or you'll be left behind," Laetitia said. "I know some people find change hard, but it's one of the things I love most about the real estate industry and it's what keeps things interesting, challenging and exciting."

"Technology is something a lot of people find difficult to embrace, but it's worth investing the time and money to integrate it into your business. There is so much great tech available that can not only save you time, but also help with communication which is only going to help you provide a better service for your clients."

Challenges come in many and varied forms for property managers, but Laetitia finds satisfaction in dealing with difficult situations.

She also recommends following the advice of Brian Tracy, author of *Eat That Frog*. "I always start the day by completing the difficult, uncomfortable task and then I can get on with my day, rather than wasting energy dreading the task and putting it off," she explained.

"I do love problem solving. It's about finding the best approach and thinking about how I can most efficiently and effectively achieve the best result for everyone. I also enjoy the teamwork in our office. If someone has a problem or difficult situation, we brainstorm solutions and work together. I really enjoy the problem-solving aspect of property management and, honestly, it would be boring if I came to work and everything was the same every day."

"I even enjoy problem solving that's not directly related to real estate. When I'm chatting with friends, I like to hear about the challenges they face in their own careers and help them find solutions. I think sharing experiences is so valuable. We can all bring a different perspective to other people's challenges and offer solutions they may not have thought of."

And it helps to have a sense of humour. "A big part of being successful in property management comes down to your attitude and how you react," Laetitia said. "I can think of plenty of times where there has been a situation where I've simply chosen to see the funny side,

rather than being frustrated – and that's been the best way to respond."

"I think it's also really important to try not to take things personally. You can't let one 'bad thing' that happens in the morning define the rest of your day. Everyone makes mistakes, but every mistake is an opportunity to learn. Remember, everything can be fixed."

Balancing act

One of the biggest personal challenges Laetitia has overcome in her career has been finding the discipline to strike a good balance between her passion for property management and life outside the office.

"This is not a nine to five job. You do need to be flexible with your hours, but it's also really important to be able to switch off so you can recharge and be able to give your clients your best when you are at work," Laetitia explained. "Training my brain to switch off took a lot of discipline, but I've managed it now and it's much better for me, my team, my clients and my personal life."

One of her biggest tools for maintaining this discipline is taking the time to create a plan for the next day.

"Every afternoon I create a 'to do' list that prioritises my work for the next day. It sounds simple, but it really helps me switch off when I leave the office because it's all out of my head and I know I'm prepared for the next day," she said.

Invest in yourself

While most agents understand the value of ongoing professional development, taking responsibility for her own personal development is something Laetitia thinks is invaluable for ongoing career progression.

"I am a big believer in investing in your own training," Laetitia explained. "Only you really know the areas you need to work on and where you want your career to go."

"It's not just about building on your real estate knowledge. It can be self development, how you relate to others and how you can be more efficient. There are so many things you can learn by reading, watching YouTube or listening to podcasts. There's something for everyone."

"The more you know, the more you can help. And that's vital to being a great property manager. I set aside time each week for my own

training. I love learning, I love change and in our industry there is always something new.”

According to Laetitia, part of investing in yourself is having a clear plan for career development.

“I’m a passionate, positive person – always have been. I love property management and I want to be the best in the industry. I look back at the career I’ve had already and how much I’ve achieved, and I’m excited about what’s next.” ♦

“

I set aside time each week for my own training. I love learning, I love change and in our industry there is always something new.

WHY I LOVE PROPERTY MANAGEMENT

“I love that every day is different. I find it rewarding when I know I’ve helped a landlord or tenant and everyone involved is satisfied with the outcome.

“If you’re happy to come to work and enjoy what you do, then everything else will fall into line. Every day I get to help people and that’s a great feeling. There can be a lot of challenging situations in property management, but when your clients are satisfied and you’re recognised for the work you do, then it’s all worthwhile.

“I love being responsible for managing my landlords’ most valuable asset – their investment property – and staying across new legislation and educating clients about their responsibilities and duty of care.

“I also really enjoy that I’m able to build and maintain long-term relationships with clients and each client has different needs – from their communication style to the level of information they like to know about their property. It all keeps me on my toes.”

LAETITIA'S TOP TIPS for property management success

1 Attitude is everything

Skills can be taught, but having the right attitude from the start is everything.

You need to be willing to be persistent, work hard and be prepared to make sacrifices if you want to be successful in property management.

Always remember that you can choose how to react – see the humour or be frustrated. Try not to take things personally. Everyone makes mistakes and sometimes it’s not your fault, but you can fix it for your client.

Most importantly, you need to be a people person and truly believe that service and client satisfaction are everything.

2 Attention to detail

Slow down and work on your attention to detail, especially when you first start out in property management. It’s something you should never forget. There’s always a lot that property managers need to be across – particularly changing legislation – and it can be overwhelming.

Ask questions, pay attention and don’t be afraid to keep asking questions. Don’t underestimate the importance of being organised. Create a ‘to do’ list, be efficient with your time and always make sure your desk is tidy!

3 Above and beyond

Most people deliver the bare minimum when it comes to service. Be the one who goes above and beyond and I guarantee your clients will notice and appreciate it.

Sometimes it’s the little things that can make a big difference, so be helpful whenever you can. If you make a promise, follow through. Your clients, landlords, tenants and tradespeople will remember if they can trust your word.

4 Balance

Make sure you get into the habit of switching off when you aren’t at work – it will benefit you in the long run.

Focus on having quality time with friends and family. Be present in the moment and take the time to recharge. Property management isn’t a nine-to-five job, so while you need to be flexible with your hours, you also need to be disciplined about taking time for yourself to avoid burnout.

5 Invest in yourself

If you love what you do then invest in your ongoing professional development and training beyond what is offered by your company. You’ll be a better agent and that benefits you, your agency and your clients. Knowledge is everything, understand legislation and be the expert for your clients.

Family first

Working in the real estate industry is a real family affair for Aris Dendrinis, the Licensee-in-charge of Richardson & Wrench Marrickville and Hurlstone Park.



My passion is for people. The fact I get to interact with people all day is what I love about sales.

Did you always want to work in the real estate industry?

My parents started our family business in the early 1970s, around the time I was born. But when I was young I didn't see real estate as my path.

In my early 20s, I wanted to be a journalist and make documentary films, so after high school I did a communications degree at Macquarie University. By the end I felt I probably didn't have enough passion to make it to the upper echelons (and I'd figured out it wasn't a particularly well paid profession), so I ended up running away to England for a year. It was the best year for figuring out what life was about.

When I returned, I asked Dad if I could work in the family business. It was a big move. After all, I'd spent years telling him I'd never work in the business. But I asked him to give me a go – to give me the opportunity to find out if this was the career for me. From the moment I started in 1994, I was obsessed with the business of real estate.

Why did you choose to specialise in residential sales?

I started out in property management. Working in sales wasn't even on my radar. But a couple of years into my career, my father told me he was moving me into sales. I didn't want to and we fought about it for a couple of months – but he eventually won. And he was right. It took me a few years to find my feet, but ultimately it was the best move. I've never looked back.

What do you enjoy most about your job?

I don't have a passion for property per se. My passion is for people. The fact I get to interact with people all day is what I love about sales. Sitting with an owner and convincing them to entrust the sale of their property to me. Building a relationship with them over time. Working closely with them throughout the process. That's what I love.

Working with my family every day is also a real joy. Our business is a real family endeavour. At 82, my father still comes to the office every day, and my two sisters also work in the business. It's not for everyone and I've seen many family businesses where the dynamic has turned sour, but it's been the opposite for us.

What are the key skills you need to be successful in your job?

You need to be able to handle rejection. In sales, you get rejected every single day and you need to cope with it. You also need to be adaptable. Human beings are, hands down, the most unpredictable creatures you'll ever come across.

What's been the highlight of your career so far?

Winning awards is great, but I've come to realise – at least for me – they're not that important. We all enjoy recognition, but it's the recognition I receive from my clients every day that's the real highlight. They're trusting me to give them the right advice and achieve the best result. Receiving their thanks and gratitude is a real motivator.

When you're not at work, how do you like to spend your time?

The business is a big part of my life, but it's not the biggest part. My family always comes first. My daughter is 15 and I have two boys, who are 12 and six. I spend as much time as I can with them, even if it's just ferrying them to soccer training.

Is there a phrase you live by?

Former racing driver Mario Andretti said: "If everything seems under control, you're not going fast enough." That sums it up for me. If you have free time, what are you doing with it? I grew up with busy parents and they instilled a work ethic in my sisters and I. From a young age, they said "if you don't have anything to do, you're going to the office to help out". So we spent all our time involved in as many activities as possible – sport, music, clubs – to avoid the office! But, funnily enough, all of us have ended up working in the family business we tried so hard to avoid as kids.

What's the best advice you would give your younger self?

Don't overthink everything. Starting something is better than thinking about starting it. It's good to plan and prepare, but don't put off starting. You might make a few mistakes, but it's not the end of the world. ♦



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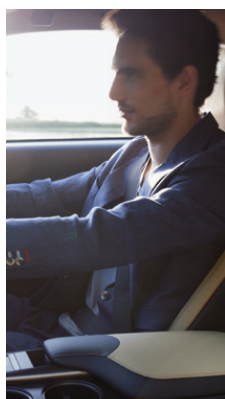
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Property management master

Recognised with the Medal of the Order of Australia in January this year for services to the real estate industry and to the community, we reflect on the impressive career of industry stalwart Tim Anderson.

Tim Anderson is a rare breed. His overwhelming desire to help and serve people has resulted in him being widely regarded as the 'go-to man' for all things property management – even in retirement.

An REINSW member since 1966, Tim's list of achievements is extensive. Beyond his active involvement at both Chapter and Division level, he was a member of the REINSW Board from 1994 to 2000. He was bestowed with the Woodrow Weight Award – REINSW's highest honour for a lifetime of outstanding service to real estate practice – in 1999 and was awarded a Life Fellowship in 2008. You'll go a long way to find someone held in higher regard across the industry.

With more than 50 years' experience, his extraordinary depth of knowledge and understanding when it comes to property management has led him to represent REINSW in various capacities including the Residential Tenancies Consultative Committee, the Residential Tenancies Operational Committee and as Liaison to the Chair of the Residential Tenancies Tribunal. And despite his retirement, he's currently REINSW's representative on the

NSW Civil and Administrative Tribunal Committee and continues to sit as a member of the REINSW Property Management Chapter Committee.

Starting out

Tim began his working life as a trainee accountant before being given an opportunity to work at real estate agency Craig and Littley.

"It was Bill Wiseman at Spit Junction, a friend of my mother's, who gave me a job as a trainee property manager," Tim said. "I owe him my career in property management."

"I worked on the agency's rental role and worked out the calculations for protected tenants to see if we could get rental increases."

After 10 months, it was time to move on and he was offered the chance to work with Alan Grace of Alan Grace Pty Ltd as a junior sales manager at the Forestville office. Tim was quickly offered a stake in the business.

"Not long after I married my wife Vivienne, Alan Grace died. I'd only been there for a short time, and was very young and fairly inexperienced," Tim said.

With the death of Alan Grace and Tim taking the controlling share, he changed the business

“

The nice thing about real estate has been that I've dealt with very interesting people.



name to RT Anderson Real Estate and his involvement in REINSW intensified. He quickly came to love the real estate profession.

"The nice thing about real estate has been that I've dealt with very interesting people. The crooks might get on the front page of the paper, but the vast majority of agents work very hard and do a very good job," Tim emphasised.

Having joined REINSW's Property Management Chapter in the early stages of his career, Tim later became a Board Director. Along the way, he also took the reins as Chair of REINSW's New England Division.

"The Institute would fly me up to Tamworth for the meetings and the members would tell me what they were doing. The headquarters were in Tamworth and the centre of that Division was Gunnedah, Glenn Innes and Armidale. I got to meet a lot of great country agents," Tim said.

In 2001, Tim amalgamated the RT Anderson real estate business with Weight & Company, the Principal of which was REINSW Past President Robert Weight, son of industry legend Woodrow Weight.

"It was a bit like coming home," Tim explained. "Woodrow was a tremendous help to me when Alan Grace died. He invited me to come and see him any time I was having trouble. Looking back, it meant that Robert's business was a good place to retire from."

Passion for training

Tim has long been passionate about real estate training and the development of professional standards.

A keen supporter of the changes currently being proposed to the education and training framework for agents in NSW, he vividly remembers how different it was when he first started out.

“

It's a wonderful honour and I look forward to receiving the badge in May at an official ceremony at Government House in Sydney.

Images from left: REINSW CEO Tim McKibbin presenting Tim Anderson with his Life Fellowship in 2008.

An avid long distance swimmer, Tim (third from left in the 1960s) will celebrate his 67th Jack Cox race in April this year. (Photo credit: Balmoral Beach Club archives.)

Tim Anderson (left) presenting his namesake trophy to the winner of the 1200m race in 1997. (Photo credit: Balmoral Beach Club archives.)

Tim Anderson (right) welcoming a visiting club to the Balmoral Beach Club while President in 1972. (Photo credit: Balmoral Beach Club archives.)

"When I qualified, we had to complete a three year, part-time course. And to obtain my qualification, I needed a letter from my employer saying I'd worked in all parts of the agency and had also handled the trust account side of things.

"I then had to attend an interview in front of a panel of three people, which took around two hours. It was a much more arduous process than it is today."

Sense of community

Tim is well-known for his overwhelming sense of community – something that's seen him a three-time president of the Rotary Club of Brookvale. A member since 1974, he frequently welcomes Rotary International Exchange Students into his home and is an organiser of its Pub2Pub Charity Fun Run & Festival.

Quite the sportsman, he's taken part in the Jack Cox long distance swimming races at the Balmoral Beach Club since he was nine years old and will celebrate his 67th race this year shortly after his 75th birthday in March. He's also played Father Christmas at the club and local schools for the past 15 years, is a 'fair weather' golfer and has a part share in a winery in the Hunter Valley.

A keen supporter of his wife Vivienne's activities, Tim is known for making 7,500 jars of marmalade with the proceeds of in excess of \$35,000 going to Cord Blood Research, a cause championed by the charity Inner Wheel Australia.

An unassuming man, Tim describes the Order of Australia accolade as "mind blowing".

"It has been very exciting," he said. "And it amazes me the number of people who have acknowledged it and sent me text messages, emails and cards. It's a wonderful honour and I look forward to receiving the badge in May at an official ceremony at Government House in Sydney." ♦



Tim Anderson's depth of knowledge when it comes to property management is second to none.

A large proportion of the calls we receive on the Helpline relate to property management and it's wonderful to have him available to members to answer questions when needed.

He works tirelessly, unobtrusively and without any fanfare. He is incredibly deserving of this recognition.

ANN BANISTER
REINSW Helpline

Tim has an incredible memory and has the ability to quote sections of the *Residential Tenancy Act* verbatim. A reserved person, he's always there to give sound advice and is willing to share the knowledge of everything he takes on.

MILES FELSTEAD
Principal at Miles Felstead Realty and member of the REINSW Property Management Chapter Committee

Tim is the epitome of what a real estate professional should be. He built his business through his active involvement with the community and he has spent his entire career giving back to the industry. Younger agents can learn much from his humble approach.

MALCOLM GUNNING
REIA President

Tim Anderson's knowledge and desire to give of his time to anyone who needs help is inspiring. Even though he has retired and could have just walked away, he continues to be involved in the property management industry and has had an active hand in driving reform in the sector. We all owe Tim a debt of gratitude for his work over many years. He is incredibly deserving of this accolade.

SANDRA MCGEE
Rental Manager at Starr Partners and member of the REINSW Property Management Chapter Committee

Tim Anderson is a rare creature in the real estate world.

Not only has he run a very successful agency, but he has dedicated his life to his passion for delivering the best service – not only to his clients, but to the industry as a whole.

Without doubt, the world of property management would be a very different place without Tim's input, insights and intellect. Even in retirement, he continues to put his hand up to help, which is a testament to his dedication and commitment.

In my mind, he will always be Mr Property Management.

JOHN CUNNINGHAM
REINSW President

I congratulate Tim Anderson on being awarded the OAM.

As a member of both NCAT's Liaison Group and Consultative Forum, he makes a much-valued contribution concerning the Tribunal's practices and procedures which are highly valued. His endless experience and wisdom is always greatly appreciated.

STUART WESTGARTH
Deputy President of the NSW Civil and Administrative Tribunal



It's rare that you get to proudly say: 'I know that person'. Tim Anderson is that person for me.

Not only is he a true gentleman, he is a true icon and gem in the industry. Always generous with his time, his knowledge is unparalleled and he's always ahead of the game.

I've had the pleasure of working alongside Tim on the Property Management Chapter Committee for a number of years. Being able to draw on his wealth of knowledge, wisdom and humour has been a true source of inspiration not only for myself and my fellow committee members, but for the entire industry.

COLIN RODGERS
General Manager at McGrath Property Management and Chair of the REINSW Property Management Chapter Committee

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1 May 2017

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Wollongong
18 May 2017

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27 June 2017

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13 July 2017

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Champions for the care factor

Starr Partners St Marys and Erskine Park has seen tremendous success under the leadership of husband and wife team Scott and Sara Edwards. One of the most awarded Starr Partners offices in the nation, their story is one of consistency, teamwork and devotion to serving their clients.

By HELEN HULL

Starr Partners St Marys was opened by Scott's father Ron in 1984, with Scott buying into the business in 2003 before Ron retired in 2011. The Erskine Park office, which is run by the same administration team, was opened in 2002.

"I never had any intention of coming into the family business," Scott said. "I'd been in some corporate management roles and had my house for sale in Kellyville. I thought to myself, 'I can do this better'. I ended up selling my own home and then took up the opportunity to become a part of the agency."

Starr Partners St Marys and Erskine Park has 14 staff members across dedicated Property Sales and Property Management departments, and also incorporates Property Marketing and Customer Care divisions.

"We operate as a team, rather than as individual agents," Scott said. "We all work off a shared database, which means anyone can sell. This works because it creates competition between our own sales agents and can achieve a higher price for our vendors."

"We've always had a focus on being a dominant sales office, while a lot of our competition are focused on building their rent roll and just see sales as a bonus. We set high weekly targets for our staff, so every member of the team is accountable and focused on achieving those targets."

Servicing a community

The offices in St Marys and Erskine Park also service the suburbs of Mount

Druitt, St Clair, Colyton Minchinbury and Blackett. With a median house price ranging from around \$575,000 to \$640,000, it's an accessible Sydney market.

"The area has some of the most affordable homes in Sydney," Scott said. "There are a large number of first homebuyers and our sales team always get excited when someone is buying their first home. It's a big deal for them when they finally secure a property and we get a lot of satisfaction from that."

"We also sell to mum and dad investors who have just one investment property. We generally don't see people who have multiple investments or huge incomes. Our clients are honest and hard-working middle income people."

Scott and Sara's team have all lived or grown up in the area and get a real buzz out of contributing to the local community.

"We've been sponsoring St Claire Colyton Little Athletics for over 30 years. We also award a student of the month at Bennett Public, Clairgate Public and Banks Public schools and support local sporting teams. The local community see that we're giving back and this helps us to build and maintain relationships."

"Combined, our sales staff have more than 40 years' experience and we know how to handle changes in the market to sustain longevity in the business," Scott said.

Award winning office

At the 2016 Starr Partners Real Estate awards, Starr Partners St Marys and

Erskine Park took home multiple awards. They've also been recognised with the Starr Partners Customer Service Award for the last four years running, and Sara has been named Sales Person Of The Year three times.

Starr Partners St Marys and Erskine Park have also recently been recognised in the Real Estate Business Top 50 Sales Offices for the fourth consecutive year.

"Winning awards keeps us motivated," Scott said. "We don't want to fall back. We have a big focus on referral and repeat business, with it making up more than 80 per cent of our clients."

Starr Partners CEO Douglas Driscoll said Scott and Sara have the 'care factor'.

"They view every transaction as more than a one-off transaction and go out of their way to understand each and every client," Douglas said. "It's refreshing. At Head Office we receive all the feedback forms and get to see the good, the bad and the ugly from across all of our offices. We've never had bad feedback about St Marys and Erskine Park."

"They always go above and beyond. People talk in glowing terms about Scott and Sara, and their team. In an industry that's at risk of being disintermediated and disrupted, agents like Scott and Sara who offer a personal service will not only survive, but thrive."

According to Douglas, Scott and Sara are exceptional advocates – not just for Starr Partners, but also for the industry.

"Client service doesn't just happen. You need to treat every client with dignity and respect, and Scott and Sara live and die by their brand promise,"



he said. “They walk the talk and back it up with good customer service.

Douglas also recognises the quality of the team Scott and Sara have built over time.

“They employ on attitude and are good at skills training,” he said. “It isn’t organic and it doesn’t just happen. They have the right systems and structures in place so everyone knows what to do, and if they fall short they’re held accountable.

“They’re very analytical and know their business inside out. Ask them about any facet of their business and they’ll know the answer.”

With the greatest respect and admiration for Scott and Sara on a business level, Douglas also can’t speak highly enough about them as people.

“For all their successes, they’re just such nice, humble people,” he explained. “They don’t need to crow about their success, they just get on with the job and it’s really refreshing.

“As an industry, we sometimes tend to put the wrong sorts of people on pedestals – those who work in markets

that are extraordinarily affluent, and who only do 20-30 transactions a year.

“Scott and Sara are hardworking and relatable. Their story is relevant to any market in Australia,” Douglas said.

Checklists and processes

Scott attributes a large part of their success to the regimented administration processes Sara has put in place.

“Sara is pretty fanatical about having processes and she’s always updating current checklists or creating new ones,” he said. “Every process has a checklist or action plan and everyone is accountable. It means our service to the client is consistent.

“Sara runs the administration team out of the Erskine Park office. She holds the business together while I run the sales team out of the St Marys office. It works well.”

New opportunities

Scott and Sara plan to expand their operations at the end of 2017 by opening a third office in Ropes Crossing – a new

Lendlease community with more than 2000 homes.

“It’s a good opportunity for us,” Scott said. “We’re always on the lookout and, with the property boom and new suburbs and a shopping centre being created, we decided we wanted to get in there and be the local agent. We’ll introduce our school sponsorship program to the Ropes Crossing school too.”

Looking ahead, within the next five years Scott and Sara plan to open a fourth office within their area.

“With so many new suburbs opening up there are lots of opportunities,” Scott said. “We’re also mindful of change in our area and the different demographics coming through is something that we have to manage. We’d like to diversify our staff so we can help people who have a language barrier.

“We want to be the local agents that our clients think of first when buying, selling or leasing real estate. We want to give them a first-class experience so they come back to us and refer their friends.” ♦

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Together we are stronger

Our industry is facing both challenging and exciting times. Never has it been more important for us to have a strong, united voice at a national level.

By MALCOLM GUNNING

The Real Estate Institute of Australia was formed back in 1924 to represent the interests of the real estate profession on a national level. When I was elected as REIA President last December, I made a pledge to stay true to this purpose and reinvigorate the commitment of all REI's to working together for the collective good of members across the country.

Top priorities

Staying true to REIA's purpose will require a keen focus. That's why I've set down the following priorities for my term as REIA President:

- To pursue recognition of real estate as a profession
- To work with the REI presidents to compile a list of issues to inform lobbying efforts
- To build strong relationships with senior politicians and government officials across the nation
- To develop accountable strategies to further our lobbying agenda
- To lead the debate, rather than react to issues
- To ensure our successes are made known
- To work with industry stakeholders and suppliers, rather than treat them as enemies
- To ensure all REI's work together for the collective good of members across the country.

Being accountable

To achieve these priorities, the REIA and all the state and territory REI's need to play their part. We've started by formalising how the CEO's interact with the REIA and each other.

Under the direction of the REIA, the CEO's from all state and territory REI's are now meeting more regularly to explore

commercial opportunities and discuss operational economies. The CEO's have always met regularly and enjoyed a good working relationship, so what's changed?

In a word, accountability. The outcomes of their meetings are recorded in minutes, and those minutes are now included in the REIA Board papers and those of all the Institutes. It sounds like a simple and logical step – and it is. Each CEO is now being held accountable not just by the other CEO's and the REIA Board, but by REI boards around the country.

This means the REIA's agenda will now feature more highly as a priority for each Institute. Unfortunately, this hasn't always been the case in the past and we now have a far better chance of achieving outcomes that will provide real benefits to members.

Positive steps

To quote Chinese philosopher Lao Tzu, "a journey of a thousand miles begins with a single step". These words ring true. Reforming REIA so we deliver outcomes based on our stated priorities will be a journey – and a long one at that. But the journey has started and we're already seeing renewed collaboration amongst the REI's and a united commitment to drive better outcomes for all members.

I look forward to sharing news of our successes with you throughout my term as REIA President. ♦



MALCOLM GUNNING
is the President of the Real Estate
Institute of Australia.

REJOINING REIA

"REINSW rejoined REIA on 1 July 2016 to help achieve a range of benefits for members.

We resigned our membership in 2008 for both financial and value reasons. Since then, we've always been open to rejoining, but made it clear that our support of the national body was dependent upon some fundamental changes to its structure, the way it operated and its agenda.

Over the last 18 months, REIA has shown an appetite for change and we responded by putting forward a proposal for a new REIA structure early last year. By April 2016, that structure had been accepted in principle by the REIA Board. We decided to rejoin and 'work from within' to help steer REIA's evolution into a more relevant organisation for our industry.

With a single, united approach to policy, we'll have a stronger national voice and will be in a far better position to effectively lobby the Federal Government on a wide range of issues. We'll also have the opportunity to drive harmonisation across the country by sharing resources, research, products and services for the benefit of members."

JOHN CUNNINGHAM
REINSW President

It all starts with ETHICS

If you think ethics is just for philosophers and intellectuals, think again. Ethics are at the core of everything we do and shape our behaviours. As our industry travels the pathway to professionalism, we must decide the guiding principles that define our collective behaviours and strive to always act in accordance with them.

By CATH DICKINSON

Being ethical is part of what defines us as human beings. We're rational, thinking, choosing creatures and we all have the capacity to make conscious choices – although we often act out of habit or in line with the views of the crowd.

We all ask ourselves ethical questions whenever we think about how we should act, and our ethics provide a framework for answering these questions. Importantly, ethics allow us to act in a manner that accords with a core set of principles.

Ethical people have what philosopher Thomas Aquinas called a "well-informed conscience". They live what Socrates called "an examined life". They try to answer the questions of how to live by reflecting on difficult situations. And they act in a way that's true to who they are and what they believe.

So what does this have to do with real estate and why is it relevant to professionalism?

Perception or reality?

The Professional Standards Councils, with its agency the Professional Standards Authority, is the independent statutory body responsible for promoting professional standards. They use the 5 Es to define the elements that are necessary to qualify as a profession (see box on page 26). The first E is ethics and, in order to be recognised as a profession, our industry must demonstrate that we

collectively adhere to a prescribed set of ethical standards.

Consumers don't trust real estate agents and survey after survey shows this.

Market research company Roy Morgan has been polling Australians about the trustworthiness of different professions since 1975. Real estate agents have always polled poorly. In its 2016 *Image of Professions* survey only 10 per cent of those surveyed rated agents as 'very high' or 'high' in terms of ethics and honesty. Only advertising people and car salespeople scored worse.

This 'unethical and dishonest agent' stereotype was tested by CoreLogic in its 2015 *Consumer Perceptions of Real Estate* survey. The key finding was while a majority of sellers reported positive experiences with agents, with 31 per cent rating the experience as 'excellent' and 35 per cent as 'good', slightly more than a third of respondents (34 per cent) said the service they received was underwhelming and even angered them.

Whether agents are actually unethical and not to be trusted is beside the point. Perception is reality and our industry has a massive perception problem. But why?

"In a word, behaviour," REINSW President John Cunningham said. "Every action we take and every word we say is driven by our learned

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What is it that's informing our behaviours? It should be ethics – our system of guiding principles that allow us to judge good from bad and right from wrong.

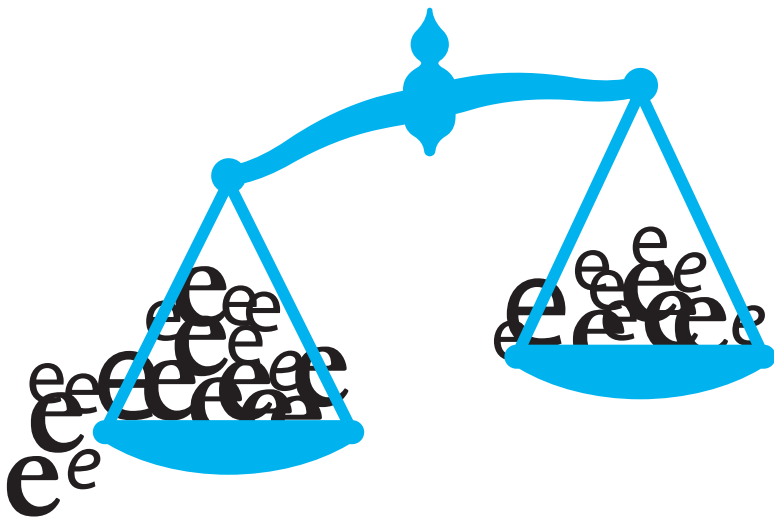
JOHN CUNNINGHAM
REINSW President

behaviours. But what is it that's informing these behaviours? It should be ethics – our system of guiding principles that allow us to judge good from bad and right from wrong."

According to Mr Cunningham, the real estate industry has all but lost its collective system of guiding principles. "Ethics have long been forgotten," he said. "They're not trained and are not held as being essential to success as an agent.

"As an industry, we've developed a 'look at me' mentality. Agents are known for their 'it's all about me' mentality and we joke about 'real estate rock stars'. It's a mentality that's incredibly damaging and one that doesn't signal professionalism.

"Like it or not, our behaviour matters. Consumers judge us on our behaviour and for our industry to rank so low for ethics and honesty



means that our behaviour has been well below par for a long time.”

A changing world

It begs the question: why has it been allowed to go on for so long?

“There’s been a lack of appetite in the industry to address the issue,” Mr Cunningham said. “The focus for far too many agents for far too long has been on making money – and lots of it. Why derail the gravy train?”

“Disappointingly, the need to behave in a professional manner seems to have been missed by some agents – lost along the way in their desire to gather all the outward symbols and trappings of success.”

A prevailing attitude of arrogance and entitlement is also at play.

“I can remember going to training courses and conferences back in the 80s and being told to ‘treat buyers like mushrooms’. Buyers weren’t considered to be important. After all, we were the ones that were in control. We controlled the stock levels, we controlled the property, we controlled everything. It’s an attitude that, in a lot of ways, continues today.

“But we live in a changing world. The power balance has shifted and consumers hold far more power. They’re more sophisticated and have access to far more information than ever before.

Their expectations are high and if they’re not satisfied they’ll let you know – loudly!

“The bar has been raised and consumers have no hesitation in calling out behaviour they see as unprofessional and unethical.”

Missing piece of the puzzle

Mr Cunningham believes the fact ethics is not part of the formal learning process agents must go through to gain their qualifications is a fundamental flaw in the industry’s education system.

“As agents, we don’t receive any formal training in ethics,” he explained. “There should be an ethics unit in our formal learning framework and all agents should be required to pass it.”

But can ethics be learnt? Mr Cunningham says “yes”.

“Some will argue that ethics can’t be learnt. I disagree. Ethics don’t necessarily come naturally – but they can be learnt. We learn ethics from our parents as we’re growing up. We learn them at school. And when we head out into the workforce, we learn them from those around us.

“Ethics provide a structure within which to act. Once you understand that structure, you know how to act and you can flourish,” Mr Cunningham said. “Our industry leaders are in a position to set the tone. But if our leaders are demonstrating a flawed ethical compass – if they’re slaves to the mentality of ‘me’ – then that’s what we learn.”



AN AGENT’S VIEW: Transparency is the key

“It’s true. Our industry has a real perception problem. And, in a lot of ways, we’ve done ourselves no favours.

“I believe the perception that agents are dishonest and unethical can, in many ways, be traced back to a lack of transparency. If we’re going to change this perception for the better, we need to become more transparent about what we do and why we’re doing it.

“Far too many agents continue to keep clients in the dark. By not being transparent, they damage their credibility and it feeds a perception of dishonesty – that they’re hiding something.

“As an industry, we need to treat all our clients in the way we would like to be treated. Only by being as transparent as possible across all aspects of the transaction will we start to chip away at the perception that agents are unethical.

“But one of our biggest challenges is defining what is and what isn’t ethical behaviour. It’s a bit like cleanliness – everyone has a different version of what clean is. It’s the same with ethics. Everyone has a different background and a different life story. We all look at situations slightly differently. That’s why we need to come together and agree on our collective values in the form of a new code of ethics.

“Agency leaders have a central role to play. We need to lead by example. We need to demonstrate to our teams that our behaviours matter.”

ROB WARD
CEO at Di Jones Real Estate

As well as being part of the formal learning process, Mr Cunningham believes ethics training must become part of every agent's ongoing professional development.

"Learning and applying ethics is an ongoing, never-ending process," he said. "And we can all learn from those agents who are already operating ethically and honestly. Over the last few years, we've seen a lot of agents really up their game. More and more, agents are striving to operate at the highest level and act in a completely professional manner. They don't just talk the talk, they walk the walk."

But what's missing is a formal ethical framework for the industry.

Starting point

For Mr Cunningham, the fact that the journey toward professionalism starts with ethics is no coincidence.

"Ethics needs to inform everything you do as an agent," he said. "Without ethics, your education and experience means little. Ethics must be your driving

force. Why do you get up in the morning and do what you do? Is it because you genuinely care about doing the best job for your clients? Or are you just in it for yourself? For the money?"

Mr Cunningham defines an ethical agent as someone who puts their client's interests at the forefront. "It's a big shift in mindset – moving from a 'me' focus to a focus on clients," he said. "When faced with challenging questions, ethical agents always ask themselves 'what ought I do?'. They always put their client first and their clients know precisely what they stand for. Their behaviours are informed by a guiding set of principles to which they stay true."

Over the next 12 months, REINSW will be working with agents across the industry and consumers to draft a new code of ethics.

"The new code of ethics will be our guiding principles," Mr Cunningham said. "It will reflect our collective values and represent the way we want consumers to view

us. We'll then be looking to industry leaders and influencers to take the new code of ethics back into their teams, agencies and franchises and lead by example.

"We can't expect to move beyond the bottom rungs in consumer opinion surveys unless we first behave in a way that provides a better experience for clients, so they place a higher value on our services. Until this happens, there will be continued downward pressure on the perceived value of what we do.

"REINSW is focused on driving the evolution of our industry and we'll be working closely with members to ensure the most appropriate ethical framework is in place so we can achieve the standards set down by the Professional Standards Councils.

"We're looking forward to working with members as we establish a new ethical framework for our industry that will create new consumer expectations about what it means to deal with a professional member of REINSW."♦

BECOMING A PROFESSION

REINSW, in conjunction with REIA, are working with the Professional Standards Councils (PSC) and its agency, the Professional Standards Authority, to explore how real estate agents can be formally recognised as a profession.

The PSC uses the 5 Es to define the elements that are necessary to qualify as a profession. Over the course of 2017, we'll be featuring an article in each edition about one of the following Es to explain the pathway forward.

1 ETHICS

The prescribed professional and ethical standards that clients rightfully expect their professional to exhibit.

2 EDUCATION

The specific technical and professional requirements to practice in a discrete professional area, linked to formal entry-level qualifications.

3 EXPERIENCE

The personal capabilities and expectations of experience required to practice as a professional in a specific area.

4 EXAMINATION

The mechanism by which qualifications and ongoing compliance are assessed and assured to the community.

5 ENTITY

There must be an entity, usually a professional association, capable of overseeing and administering compliance expectations on behalf of consumers who rely on the professionals.

E VOLUTION

REINSW believes we need to add another E: evolution.

If real estate agents are to be recognised as professionals, then along with the 5 Es we must also embrace the reality that our industry must evolve. If we don't collectively embrace a mindset of evolution, we simply won't be in a position to commit to the work required to elevate ourselves to a recognised professional standard.

READ MORE about evolution: Jan-Feb 2017 edition, p 18



The goal is to build an ethical system that articulates ethical practices in a document that is far more substantial than a simple statement of what is right and wrong.

Understanding professional ethics

CEO of the Professional Standards Authority, Dr Deen Sanders, explains what ethics means in the context of professionalism.

“When we talk about ethics in the context of professionalism, we’re really talking about ethical systems,” Dr Deen Sanders, CEO at the Professional Standards Authority, said. “When most people think of ethics, they think about the personal idea of right and wrong. But in a professional context, we’re not just talking about personal views. We’re looking at how right and wrong are defined by the collective group of professionals and how that feeds into a professional system of codes and rules that give everyone confidence in the right procedure.”

Dr Sanders explained that there’s a difference between personal ethics and professional ethics.

“When it comes to professional ethics, it’s not a case of what you may personally believe is ethical,” he said. “It’s about what the collective profession has negotiated and agreed to be ethical.

“The goal is to build an ethical system that articulates ethical practices in a document that is far more substantial than a simple statement of what is right and wrong.”

Negotiation

For a code of ethics to be meaningful, it has to be negotiated with the entire professional community – and that community extends further than the practitioners themselves.

“There needs to be negotiation and consultation with not just practitioners, but also with clients and consumers,” Dr Sanders said. “What an agent thinks professional, ethical behaviour looks like could potentially be quite different to consumer expectations.

“It’s quite normal for emerging professions to spend a lot of time talking to each other and not enough time talking to consumers about their services.

“When a profession is looking to be recognised under the professional standards legislation, we’re not only interested in the fact that a documented code of ethics is in place, but who was involved in the development of that code and how it encourages good practice and affects changes in behaviour.

“It’s about inviting people into a conversation about the ethical standards that are shared and how members of the profession will be held accountable to those standards.”

Compliance

For a code of ethics to be genuinely robust, the real test is how compliance is monitored and enforced.

“How do you test for compliance? How do you measure it?” Dr Sanders asked. “An important part of a good code of ethics is building in ‘evidential capacity’. Writing practice standards and ethical statements in such a way that it can be objectively, rather than subjectively, determined if someone has failed to meet their ethical obligation under the code.

“Ultimately, genuine professions are about ensuring consumers can have confidence in dealing with its members, which means a profession is really only strong when it removes the people that undermine that confidence. The brand of every professional member is affected by the unethical and unprofessional practices of a small minority of members. So you need to have an evidential, objective framework against which you can assess why they should stay or why they should go.”

This is also why an industry trying to meet the requirements of a profession must demonstrate that they have the capacity to police their own ethical standards.

“This means they need to – via their professional body – investigate instances of failure or malfeasance and take steps to enforce penalties, which may include the loss of registration or membership. Generally, a complaint system will be in place to allow consumers and other members of the profession to report instances of potential non-compliance.”

Ongoing commitment

“Approval as a profession is a lifelong commitment,” Dr Sanders said. “It’s a commitment to a different future for members of the professional community – practitioners and consumers alike. And it’s a commitment to continuous improvement of professional standards and conduct.

“The barrier to recognition as a profession is high and the standard required to maintain professional status is equally high, because the community need to have confidence that the members of the profession are always going to be competent.

“To that end, the regulatory framework applied by the Professional Standards Councils and its agency, the Professional Standards Authority, involves annual audits of professional associations to ensure not only the maintenance of ethical standards, but also their continued improvement in response to market, member and community needs.”

Liveability delivers results

By HELEN HULL

As property prices continue to hit record highs, consumers are demanding more from their homes. It's no longer just about putting a roof over your head. It's about lifestyle, comfort and affordability. As a result, a new term has entered the arena – 'liveability'.



“Liveability is about finding or creating your best house, which is healthy, efficient, comfortable and connected to your community.”

CECILLE WELDON
Real Estate Program
Director at the Centre for
Liveability Real Estate

“Liveability is about finding or creating your best house, which is healthy, efficient, comfortable and connected to your community,” Cecille Weldon, Real Estate Program Director at the Centre for Liveability Real Estate, explained.

Originally developed by LJ Hooker, the Centre for Liveability Real Estate was acquired by the CSIRO in June 2016 and, as a result, Liveability Real Estate Specialist training is now available to real estate agents right across Australia.

Cecille spent four years developing the Liveability Real Estate Framework. More than just a simple rating system, it's a property marketing framework that enables the real estate industry to identify a collection of benchmarked Liveability Property Features™ – The 17 Things™ – into the point of sale or rent. It allows agents to integrate these features into their normal processes in a robust and systematic way. The framework encompasses high-level professional training, an appraisal checklist and unique property marketing icons to appraise, sell, buy and rent homes with liveability property features.

“When you're talking about liveability, it's a very clear deliverable for homeowners and renters,” Cecille said.

When she was developing the framework, Cecille quickly learnt the word ‘sustainability’ was a barrier to opportunity and a new term needed to be created.

“Sustainability doesn't mean anything anymore. It's confusing and can mean hundreds of things,” she said. “This is why real estate hasn't seen or understood the opportunity that's lying behind that word.”

Enter ‘liveability’.

“Over the last 10 to 15 years, the design and construction industry has been delivering better houses in regard to design and comfort, and the potential for reduced running costs,” Cecille



explained. “We also know that consumers are now looking for properties with lower running costs and this is impacting the perceived value of a property.

“In some ways, it's the shadow side of affordability. There's ‘afford to buy’ and then there's ‘afford to live in’. The ‘afford to live in’ aspect is now impacting a property's appeal to potential buyers and renters.”

More than energy efficiency

According to Cecille, energy efficiency is just one aspect of the Liveability Real Estate Framework. It's also about water, energy, solar PV, passive design and living close to a vibrant community experience.

“The idea of ‘energy efficiency’ is not sexy,” she said. “Most people don't lie awake at night and dream of an energy efficient house.

“Liveability is about delivering more. It's about the life it will give you and creating a great lifestyle in your home – and reduced running costs have an impact on this.”

Delivering outcomes

Cecille said agents are getting quality results from their knowledge about liveability.

“Research by the NSW Government* found that 89 per cent of consumers would find a home more attractive if these features were identified at the point of sale,” she said.

“This is where the Liveability Real Estate Framework comes in. As a Liveability Real Estate Specialist, agents have a better opportunity to secure the highest price in the shortest timeframe. They're able to provide a better customer experience because of the training they've received and because they know more about the property and its features,” Cecille said.

Bryce Gibson, Principal at LJ Hooker Cessnock and Kurri Kurri, agrees. He believes owners of properties with Liveability Features™

are securing better price outcomes and he's finding more and more buyers are asking questions about these features.

"It's a cultural change. There's a strong interest in features like solar panels, LED lighting, heating and cooling installation, and rainwater tanks," he said.

"People spend thousands of dollars on products and renovations for their home, and if you understand and have knowledge about the investment they've made and the reasons why they add value, it helps build rapport, trust and respect between you and the client. It can also be a big advantage when attempting to secure the listing."

According to Bryce, what sets the Liveability Real Estate Framework apart is the training.

"If you haven't done the training, it's easy to dismiss certain features as having no tangible value. But, once you've done the training, you know what you're looking at," he said.

For every listing, Bryce completes The 17 Things™ appraisal checklist to identify the features the property has and then uses this when marketing the property.

"If you're a Liveability Real Estate Specialist and a property has more than six of the 17 features listed in the checklist, you can include the Liveability Features™ icon in your marketing."

"As power prices rise and people become more environmentally conscious, Liveability Features™ will play an ever-increasing role in the property transaction," Bryce said.

Trust and training

During the establishment of the Centre for Liveability Real Estate, Cecille found herself asking why agents weren't hearing from consumers about their desire to know more about a property's liveability features.

"Research says consumers don't trust real estate agents to give them information about this," she said. "However, if the agent had done specialist training, consumers say they would then trust them more than an agent who had not done such training."

"Trust is pivotal to any relationship. If consumers don't trust us to know about the features of a property, then how can we position ourselves as property experts and remain relevant in the future?"

Industry-led disruption

According to Cecille, Liveability Real Estate Specialist training should be seen as an opportunity.

"It makes us more resilient to disruption as an industry," she said. "The training adds value to the face-to-face agent-client relationship and cannot be taken over by a portal. Sellers and landlords feel you really know their property when you've done a liveability appraisal and all the features of their property have been highlighted when it's listed for sale or rent."

"Buyers and tenants are grateful and feel supported, because it's addressing the running cost potential that's on their mind."

"We should be proud as an industry that we've meaningfully disrupted ourselves without waiting to be disrupted from the outside. As an industry, it's important that we lead this conversation and retain our position as property experts. This is an opportunity for everyone to get behind this initiative," Cecille said.

To find out more about Liveability Real Estate Specialist training, go to reinsw.com.au/liveability ♦

* EnergyFit Homes: Enhancing the Market for Energy Efficient Homes Research Study, "Energy efficient features", p 10, April 2016.



It's a cultural change. There's a strong interest in features like solar panels, LED lighting, heating and cooling installation, and rainwater tanks.

BRYCE GIBSON
Principal at LJ Hooker
Cessnock and Kurri Kurri

Liveability Real Estate Framework

The Liveability Real Estate Framework is an integrated system that addresses the four aspects of the real estate property marketing industry: the **real estate agent**, who brings **people** and **property** together through effective **online** and **print marketing**.

The framework enables the real estate industry to identify and integrate Liveability Property Features™ – The 17 Things™ (see below) – into the point of sale or rent in a robust or standardised way. As the 'real estate moment' is short but influential in driving a value proposition for residential

properties, it's important that agents are trained to identify these features and know why they're important to liveability potential. Therefore, core to the framework is a new professional pathway in real estate – the Liveability Real Estate Specialist.

This specialisation builds on an agent's existing sales and property marketing experience, and is refreshed and updated every 12 months to keep abreast of changes in residential building innovation.

THE 17 THINGS™

Each of the following Liveability Property Features™ is benchmarked

by industry property experts and there are four that require independent proof. A property must have a minimum of six of the features marked with an asterisk to qualify for the liveability icon.

Location

- 1 Climate zone of the property
- 2 Living locally
- 3 Orientation*
- 4 Cross-ventilation*
- 5 Zoning*

Floor plan and layout

- 6 Insulation* ^
- 7 Density of building materials
- 8 Windows (glazing)* ^
- 9 Shading or sun control*

Important energy and water saving inclusions

- 10 Efficient heating or cooling devices*
- 11 Energy efficient lighting*
- 12 Efficient hot water system*
- 13 Solar photovoltaic (PV) system* ^
14. Low water garden*
15. Water efficiency devices
16. Rainwater tanks

Energy rating

17. Energy rating* ^

Source: liveability.com.au/about

* Minimum of six of these features is required

^ Independent proof required

The art of questioning

There's an old saying: If you want better answers, ask better questions. Asking the right questions to uncover your client's motivation can make all the difference. Here's how.

By MICHAEL SHEARGOLD

As an agent, your role is to help your clients achieve their real estate goals and for this to happen you need to uncover exactly what those goals are. By asking the right questions you can uncover the information you need to create the best experience and results for your clients – and set yourself apart as an exceptional agent.

When asked why they chose a particular agent, clients often say: “They really understood what I’m looking for and what I want to achieve.” The average agent tends to ask fewer questions. An exceptional agent asks lots of questions! By mastering the art of questioning, you can become an exceptional agent and you’ll build a faster rapport, greater connection and stronger relationship with your clients.

From the beginning, you need to engage the right mindset. To find someone interesting, you need to be interested. Many agents go into a conversation with a client or potential client with a ‘what do I need to tell them to convince them to do business with me?’ mindset, rather than an ‘I’m focusing my attention on helping them achieve their goals’ mindset.

Remember, the questions you ask and the words you use have a profound impact on how you make your clients feel.

Discovery quest

Questioning is a discovery process and the key benefit of asking the right

questions is learning what your clients need from you and how you can best help them.

At the start of a client relationship, you want to create rapport and allow your clients to feel comfortable with you. The more relaxed they feel, the more open they’ll be when sharing their thoughts with you – and when you know more, you can deliver more.

Before you start asking questions, you need to be crystal clear about what exactly it is you want to discover. When you know what you want to learn from a client, asking the right questions becomes easier.

If you’re talking to someone who is thinking of selling, you might want to know things like why they’re selling, the timing they have in mind, their criteria for choosing an agent, their thoughts about property marketing and what their plans are after the sale.

In the case of a potential buyer, it would be great to find out how long they’ve been looking, whether they’ve seen any properties they really like, have they made any bids or offers yet, what stage they’re at in the process and how quickly they want to make it happen.

When you know what you want to learn from a client, asking the right questions becomes easier.

If you’re new to the business, developing buyer and seller profiles with the key information you want to gain can be a great tool. These profiles will help

“

Questioning is a discovery process and the key benefit of asking the right questions is learning what your clients need from you and how you can best help them.

you stay on track and act as a checklist.

Some clients may not want to let you know everything about themselves up front, but you can put them at ease by simply saying: “The reason I’m asking you these questions is so I can best guide you on your property journey and help you achieve your property goals.”

At this stage of your relationship, the more knowledge you have, the better you can help your clients and create a great outcome for both of you.

Uncovering buyer motivation

By tapping into buyer motivations, you’re tuning into what they need so you can lead them toward their goal. So how do you do it?

Think about how you interact with potential buyers at an open home. You might ask: “Do you have any interest in this property?” or “Is there anything I can help you with?” Some buyers will



simply say “no” and walk away. They don’t know you and they might be feeling a bit intimidated or confused.

The way you frame your response will help you to uncover their motivation. Ask something like: “Out of interest, can I ask you a couple of questions?”

If they say “yes”, you can then ask questions designed to build rapport and understand their needs, and to find out what they’re looking for, whether they’re ready to buy or are still in the research phase.

The key to questioning is to turn it into a conversation and by asking soft questions, you can keep it casual. Here’s how it might go.

“What was it about this property that made you come along today?” Listen to their response. React to their response.

“So you’re in the market to buy? Or are you still researching?” Again, listen to their response. Hear what they’re saying.

“Where are you currently living?”

“Out of interest, if you found your ideal property, are you able to move quickly?” You never know what you’ll find out.

Based on the answers they give, you may be able to let them know about another listing you have that might be of interest to them. Or they may be ready to list their property for sale and are in the process of looking for an agent. The bottom line is that if you ask good questions, you’ll uncover so much more – but you’ll never know if you don’t ask! But beware. If you ask too many

questions, it may start to feel more like an interrogation.

Power lies in implementation

Be prepared to be pleasantly surprised at how much information these simple strategies will help you uncover. Yes, it will depend on the number of people you have at your open homes whether you go into questioning mode at the open or when you follow up by phone. Either way, based on the notes you’ve taken, you can pick up the conversation where it left off and continue building the relationship.

The ultimate goal is to deliver a great service and, in the process, uncover your clients’ motivation – which will, ultimately, help you to understand them. When you take this approach, you’ll quickly build a reputation for being an exceptional agent. And the key to long-term success in this business is having people in the market singing your praises!

You may have heard me say before: “the power of an idea is in its implementation.” It’s true – and now you have the knowledge, so put it into practice. Connect with your clients, create rapport with them, listen to their responses and deliver what they want. It’s an important key to unlock a new level of performance in you.

Remember, the best way to get what you want is to help your clients get what they want. So the main benefit in asking the right questions is helping you to achieve your clients’ goals. ♦

A shopping list of questions

- Tell me a bit more about yourself?
- What is your current situation?
- What are you aiming to achieve?
- What is your timeframe?
- Do you have finance in place?
- What is your ideal outcome?
- What is your ideal property goal?
- Can you move quickly if the right opportunity presents itself?
- Are there any deal breakers?
- How would you like the process to go?
- Have you bought or sold a property recently?
- How would you describe your recent buying/selling experiences?
- What is your decision process?
- What do you expect from an agent?



MICHAEL SHEARGOLD
is the CEO at
Real Estate Results.

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Don't mess with misrepresentation

By PETER MORAN

Two cases serve as a timely reminder for agents to always be accurate when making representations to potential purchasers.



CASE 1

In a case heard by the Queensland Supreme Court¹, the purchaser alleged they had entered into a transaction to purchase a four-floor penthouse at the top of a high-rise mixed development complex solely as a result of the misrepresentations made by the selling agent about the value of comparative properties. Evidence of the alleged misrepresentations was limited to the purchaser's recollection of a phone call with the selling agent. Both parties were driving at the time of the phone call, so there was no written record of the conversation.

The lack of a paper trail to substantiate a clear link between the alleged representations by the selling agent and the purchaser's decision to enter into the contract meant the court could not make a finding of misrepresentation against the selling agent. However, if the purchaser had been able to produce a paper trail, there may have been a greater likelihood of such a finding.

The court also considered it "commercially illogical" and "inherently improbable" that the purchaser, who was an experienced businessman, did not obtain external valuation advice but rather relied (so he said) only on the selling agent's representations.

CASE 2

In comparison, in a case before the NSW Court of Appeal² it was found that the selling agent was liable for misleading and deceptive conduct and the purchaser was entitled to rescind a contract to buy a service station and convenience store.

An inaccurate section 149(2) planning certificate, which failed to disclose the existence of a road widening proposal that constituted an 'adverse affectation', was annexed to the sales contract. There was also a failure to disclose in requisitions that the vendors were involved in litigation commenced by a long-term tenant. Additionally, false information was provided in a sales brochure prepared by the selling agent, which said the business was a "solid investment ... a great opportunity for long term security and income".

The brochure was not a contractual document and not solely relied upon to justify the rescission. However the court did uphold the right to rescind on the basis of the answer "no" to the requisition which asked: "Is the vendor aware of any contemplated or current legal proceedings which might or will affect the property?"

Key takeaways

These two cases provide some key takeaways for agents regarding misrepresentation:

- **Keep paper trails.** Always keep a paper trail as proof of discussions. Use emails or texts to confirm.
- **Consider commercial acumen.** Always consider the commercial acumen of the parties you are dealing with. Assess whether they may be characterised as 'an experienced businessperson', 'commercially savvy' or 'commercially unsophisticated'. This could have a significant impact on how the court interprets the circumstances of the transaction.
- **Check brochures.** Don't compile or distribute marketing brochures without careful checking for accuracy. Agents may be found liable for

misleading brochures that they have prepared and distributed.

- **Answer requisitions correctly.** Beware of the effect of incorrect answers to requisitions made after entry into the contract, especially if the answers are not consistent with brochure material or a selling agent's pre-contract representations. Court decisions do serve as a clear warning that incorrect answers to requisitions can give the purchaser a right to rescind. ♦



PETER MORAN
is a Partner at Colin Biggers
& Paisley.

¹ *Juniper Property Holdings No 15 P/L v Caltabiano* (No 2) [2016] QSC 5

² *CH Real Estate Pty Ltd v Jainran Pty Ltd; Boyana Pty Ltd v Jainran Pty Ltd* [2010] NSWCA 37

The people on the bus

By GREG PATERSON

If you want your real estate business to be successful, you need to get the right people on the bus, in the right seats – and the wrong people off the bus.

No doubt you've heard the expression 'your people are your greatest asset'. An oldie but a goodie, it's an expression I've used many times over the years when talking to real estate employers about the importance of staff to overall business success.

But according to Jim Collins, author of the #1 bestselling book *Good to Great*, it turns out that people aren't your greatest asset. The right people are. Unfortunately, it's far too common for real estate businesses to have the wrong people in the wrong positions.

Who's on your bus?

It's an incontrovertible fact that business success is almost always dependent upon a team of engaged and committed employees, and rigorous but empathetic leadership. These ingredients are at the core of ensuring your business remains both productive and profitable.

The reality is, if you're managing people on a daily basis for any length of time then at some point you'll be faced with an employee whose performance isn't living up to your expectations. When faced with this problem, the common reaction by most managers is to ignore it and hope it will go away. But, all too frequently, it doesn't! Sound familiar?

Unfortunately the temptation to avoid difficult conversations can adversely affect your business. But why is there a reluctance to have the 'tough love' conversation with underperforming employees who clearly shouldn't be 'on the bus'? According to Paul O'Halloran and Megan Bowe from FCB Workplace Law¹ (a leading workplace legal and HR

solutions business), there are a number of reasons. These include:

- Concerns about the implications for future relationships, which may indicate you're too close to the employee
- Lack of time, because the process is time consuming
- Uncertainty about how to approach the situation
- Lack of faith in the system, because you don't believe it will achieve the desired outcome
- A desire to avoid confrontation. So what's the solution?

Performance management on the road

Performance management is a well-established term used to describe the practice that drives decisions about employee performance, disciplinary procedures, terminations and development needs within the business. It's a process by which the overall performance of a business can be enhanced by improving the performance of individuals within a team framework. The central goal is to build a high-performance culture for both the individuals and the teams within the business.

Performance management reminds us that being busy is not the same as producing results. It ought to redirect our efforts away from simply being busy and towards being effective. It reminds us that training, strong commitment and lots of hard work alone will not provide results.

The major benefit of performance management is its focus on achieving


results; i.e. useful services for our real estate clients and producing income from the sale and management of property. While we typically think of performance management in the context of employee performance, it can also focus on agency processes and systems. For example, how an agency's technology and processes for the selling and management of property integrate with the performance of employees. After all, the overall goal of performance management is to ensure that an agency's entire 'ecosystem' is working together to achieve optimal results.

Real estate agencies are facing challenges like never before. 'Disruptors' are placing competitive pressures on businesses and this means there is even greater need for care in the choice of strategies adopted by agencies to remain profitable. Everyone in the agency must be doing what they're supposed to be doing to enhance the opportunity for the agency to survive and thrive.

When it's time to get off the bus

If you fail to manage performance issues quickly and effectively, there's the risk they may escalate into a major issue with adverse effects on your agency – such as some form of industrial claim. It can also lead to a decline in morale (because both the individual and those around them become unmotivated) and lack of respect for management (because other employees may resent a lack of action against an underperforming employee).

According to *Good to Great* author Jim Collins, letting the wrong people



'stay on the bus' is unfair because the right people inevitably find themselves compensating for the inadequacies of the wrong people. Worse, it can end up driving the right people away. Strong performers are intrinsically motivated by performance and when they see their efforts impeded by carrying extra weight, they eventually become frustrated.

And waiting too long before acting is equally unfair to a person who needs to 'get off the bus'. Collins suggests that every minute you allow a wrong person to continue holding a seat, you're stealing time they could spend finding a better place where they might flourish.

If we're honest with ourselves, the reason we wait too long often has less to do with concern for the employee and more to do with our own inconvenience. We think "they're doing an okay job" or "it's a huge hassle to replace them" and we end up avoiding the issue. So, to save ourselves stress and discomfort, we wait ... and wait ... and wait! Meanwhile, all our good people are wondering "when are they going to do something about this" and "how long is this going to go on?"

Operating a real estate business requires courage, commitment and determination. And it's inevitable that you'll confront important leadership issues that may not be easy to resolve. But it's how you respond to these issues that will determine the opportunity for business improvement and success. ♦

¹ O'Halloran, P and Bowe, M, 2016, *Performance Management in Education: resisting the difficult conversations*, FCB Workplace Relations Review.

Getting the right people on the bus

EFFECTIVE PERFORMANCE MANAGEMENT

There are a number of integrated actions that make up an effective performance management system:

- Implementing an appropriate process to select the right people
- Developing clear job descriptions and key performance indicators
- Measuring performance standards against defined benchmarks
- Determining if employee performance is 'below expectations', 'meeting expectations' or 'exceeding expectations'
- Holding performance development discussions
- Providing coaching and feedback
- Identifying training and development needs
- Ongoing observation and measurement to track performance
- Developing and implementing a performance improvement plan where performance is 'below expectations'
- Designing effective compensation and reward systems to recognise those employees who excel and are 'exceeding expectations'
- Performing exit interviews to better understand any causes of employee discontentment.

Keeping the wheels turning

BENEFITS OF PERFORMANCE MANAGEMENT

A well-structured and implemented performance management system, will provide a number of benefits to your business, as well as your employees:

- Ensuring employees understand the importance of their contributions to the goals and objectives of the agency
- Ensuring individuals and teams understand what's expected from them
- Linking performance evaluation and employee development to rewards that motivate staff
- Assisting the agency to improve its efficiency and profitability
- Helping to identify specific training needs across the business
- Facilitating improved communication between managers and employees
- Improving guidance and assistance for developing the capabilities and potential of employees within the agency.



GREG PATERSON
is the Membership Services
Director at the Real Estate
Employers' Federation.



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Do you have a small or large group interested in in-house training?

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The benefits of in-house training ...

- Choose a time that is convenient for you and your team
- Save time and money by having your team trained together in one place, at one time
- Choose a training package tailored to meet the specific requirements of your team and your agency
- Ask industry-related questions and discuss confidential issues specific to your agency
- Ensure your team comply with their CPD requirements

We offer more than CPD training

- Professional development training (e.g. Property Management, Sales) that counts towards the full real estate licence
- Customer service training for agents, frontline and administrative personnel

For more information or to request in-house training, please contact REINSW Training by calling (02) 9264 2343 (select option 1) or emailing cpd@reinsw.com.au





Spotlight on buyers' agents

There are many risks associated with being a buyers' agent and there's often a fine line to tread to stay on the right side of the law.

By NANCY RAINBIRD

Agents wear many different hats to do their job. Risk management is one of the most important, to ensure you avoid a claim being made against you. But with so many new laws being introduced each year and the ever-increasing complexity of our legislative framework, it can be difficult to stay on top of everything.

That's why it's important to have the right professional indemnity insurance cover in place to protect both you and your agency in the face of expensive legal and court costs.

Buyers' agent in court

Realcover recently represented a buyers' agent in the Supreme Court of NSW. The judgment was delivered in December 2016.* The buyers' agent was alleged to have breached the Australian Consumer Law and to have engaged in misleading and deceptive conduct.

The vendor, who filed the claim, had entered into a put and call option deed with the purchaser, who was a property developer and the client of the buyers' agent.

The sale price of the house on the North Shore of Sydney was agreed at \$2.2 million and an agreement was reached that made the funds payable up to 19.5 months after the date of exchange. But after a neighbour's property sold for \$3.430 million less than a week after signing the deed, the vendor alleged the property was worth far in excess of the agreed \$2.2 million. The vendor also claimed they were misled about the value of their property, saying they hadn't been given enough time to obtain legal advice and therefore the sale was unjust, unfair and void.

The judge found that the buyers' agent hadn't contravened the Australian Consumer Law, nor were his actions unconscionable. However, it was

found that the vendor had relied on the buyers' agent when determining the value of his home. The judge said that while the vendor was naive and didn't know his property was worth well over \$2.2 million, both the buyers' agent and developer had pressured the vendor causing him to sign the put and call option deed. The judge also held that the property developer's lawyers should have given the vendor a cooling off period in the put and call option deed.

The judge ruled that the deed was unjust, unfair and void. As a result, both the buyers' agent and property developer were ordered to pay the vendor's costs – which could prove to be costly!

Fortunately Realcover's professional indemnity insurance policy covered the liability of the buyers' agent, including his own defence costs.

Since the judgment, the matter is now destined to end up in the Court of Appeal as the developer has filed their intention to appeal. As a result, the buyers' agent will most likely be caught up in a costly and lengthy appeal process with expensive costs, emphasising the importance of always taking out professional indemnity insurance. ♦

* A formal order for a stay of the judgment was granted following the handing down of the judgment and an appeal is now likely.

LET REALCOVER protect your business with professional indemnity insurance designed with your needs in mind. When it is time to renew your policy, contact Realcover on 1800 990 312 for a quote. REINSW members are eligible for a substantial discount off Realcover's standard professional indemnity insurance premium (excluding charges).



NANCY RAINBIRD
is the Claims & Compliance
Manager at Realcover.

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Better assessment for entry-level learning

REINSW has changed the assessment process for its industry-leading Certificate of Registration Course to improve the learning experience.

By DANIELLE ANDREWS

We're always seeking feedback from our members and learners who complete our training courses. By evolving and making changes for the benefit of our learners, we're able to ensure we provide the best and most beneficial learning experience.

Assessment changes

Embracing feedback from learners, trainers and members, we've redeveloped our Certificate of Registration Course assessment process to give learners a more practical and holistic experience. We've changed the structure so each step the learner takes is linked to the next and the process flows smoothly, allowing the learner to easily move from beginning to end.

Whether the learner attends our classroom course or completes the course online, the assessment process is more streamlined and has a greater emphasis on workplace practice.

Benefits of the changes

So why did we change the assessment process?

The changes make the training and assessment process more holistic and fulfil many requirements to help make it more engaging and fun. Linking elements together ensures the assessment process is less complicated and more straightforward, which will help to increase the completion rate. And the interaction between learning resources, trainers, assessors and online

“

Our goal is to present the best, work-ready candidates to the industry and these changes mean the profession will be getting people who can move more easily into roles.

support allows learners to complete their studies in a more streamlined and stress-free way.

The new assessment process is more focused on the practical application of knowledge and skills to enable learners to be work ready at the completion of the course. Assessment is no longer focused solely on a question and answer format. It now includes workplace situations to ensure learners can competently complete routine activities in an agency context.

Our goal is to present the best, work-ready candidates to the industry and these changes mean the profession will be getting people who can move more easily into roles.

And it's working! We've already received feedback from learners who say it is faster to complete and easier to learn.

I'd like to hear from you

If you have any questions or suggestions for training, then I'd love to hear from you. You can contact me by emailing dandrews@reinsw.com.au or calling (02) 8267 0520. ♦



DANIELLE ANDREWS
is the REINSW Education & Training Manager.

Grab the gavel

Each year REINSW hosts the Novice Auctioneers Competition (NAC), giving agents the chance to try their hand at auctioneering and raise money for charity. Why not give it a go this year?

By DANIELLE ANDREWS



The NAC has helped launch the careers of many auctioneers over the years and yours could be next if you enter this year.

The competition started in 1990 when Michael Carolan, who is now one of the most skilled and successful auctioneers in NSW, took out the first ever title. Since then, the NAC has galvanised the careers of many auctioneers, including former winners Damien Cooley and Jesse Davidson.

It's not for the faint hearted, but the rewards are enormous.

Former winners explain the benefits

Damien Cooley, Director of Cooley Auctions and REINSW Director, said winning the competition in 2000 had an incredible impact on his career. "It opened the door to so many opportunities and today Cooley Auctions is one of the leading auctioneering companies in the country."

Jesse Davidson, Associate Director of auctionWORKS and REINSW Auctioneers Chapter Chair, said taking part in the NAC and winning the State Final in 2010 provided him with the platform to see if he had what it took to make it as an auctioneer.

"It was a superb launch pad for my career and I'd encourage anyone with an interest in auctioneering to enter – even if you have no experience at all," he said. "Being able to tell clients and potential clients that I'd won

the State Final was a real boost and helped me convince them to use my auction services."

But you don't need to win the NAC to experience the benefits. Just by entering you'll learn new skills and have the opportunity to be mentored by some of the best auctioneers in the business.

Prize pool

The winner of the State Final – to be held in July 2017 – will receive:

- \$1,000 prize money
- Two complimentary tickets to attend the 2017 REINSW Awards for Excellence Gala Dinner
- The opportunity to conduct the charity auction at the 2017 REINSW Women in Real Estate Conference.

Who's eligible?

To enter the NAC:

- You must live in NSW and be over 16 years of age
- Have completed six property auctions or less in the past 12 months, and no more than eight prior to competing
- Have less than six months' experience as a livestock or chattel auctioneer prior to competing
- Source an item to auction valued at more than \$100.

Find out more information

For more information, please email events@reinsw.com.au or visit reinsw.com.au/nac. ♦



The NAC was a superb launch pad for my career and I'd encourage anyone with an interest in auctioneering to enter – even if you have no experience at all.

JESSE DAVIDSON
Associate Director
at auctionWORKS

NAC
NOVICE
AUCTIONEERS
COMPETITION
2017

NAC HEATS

Heat 1

Double Bay
Monday, 20 March 2017

Heat 2

Sydney CBD
Friday, 7 April 2017

Heat 3

Dubbo
Monday, 1 May 2017

Heat 4

Leeton/Yanco
Wednesday, 10 May 2017

Heat 5

Albury
Monday, 15 May 2017

Heat 6

Wollongong
Thursday, 18 May 2017

Heat 7

Castle Hill
Thursday, 15 June 2017

Heat 8

Dee Why
Tuesday, 27 June 2017

Heat 9

Newcastle
Wednesday, 5 July 2017

Heat 10

Balmain
Thursday, 13 July 2017

Even if you're not sure about entering, you can still attend to see other up-and-coming auctioneers battle it out.

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New members

Today the real estate business is more competitive than ever before and membership of REINSW has never been more important. We're proud to welcome the following agencies to our membership ranks.

Abundance Real Estate and Businesses
Sydney

Agent 2580
Goulburn

Ardent Property Group
Table Top

Bartolone
Cecil Hills

Black Diamondz Property Concierge
Sydney

Black Property Central Coast
Erina

Century 21 City Quarter
Sydney

Domaa Residential Commercial
Wollongong

Dream Design Property
Sydney

Ellabby
Temora

EL Residente
Double Bay

Etern Realty
Campsie

Freda Chng Real Estate
Cherrybrook

Guardian Realty Schofields
Schofields

HEM Property Group Port Macquarie
Port Macquarie

Hunter Property Management
Booral

Ideal Property Agents
Prairiewood

IGM Property
Concord

Imagine Property Consultants
Gorokan

Ivy Plus Real Estate
St Ives

KBSG Commercial Real Estate
Liverpool

Kylie O'Brien
Bowral

Laing+Simmons Quakers Hill
Quakers Hill

Lakeshores First National Real Estate
Manning Park

Lana Whalan Reality
Dubbo

Levis Property Shop
Bondi Junction

LJ Hooker Batemans Bay

Manns Homeworld
Gosford

McGees Property
Brisbane

North Coast Lifestyle Properties
Brunswick Heads

Office Tenant Advisory
Winston Hills

Prima Property Agents
Queenscliff

Professionals Punchbowl
Punchbowl

Purcell Property Blue Mountains
Springwood

Ray White (Moorebank)
Alexandria

Rebecca Philips Property Group
Hunters Hill

Reuben Real Estate
Riverstone

SFPG
Sydney

Stephan & Co Property Agents
Five Dock

Stone Real Estate Lindfield
Lindfield

Strand Property Group
Sydney

The Blacket Agency
Double Bay

Thomas Peter Kay
Dover Heights

Top Level Real Estate
Sydney

Victory Lease
Rhodes

*The agencies listed took out membership
in January and February 2017.*

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Promote your membership

REINSW is the authoritative and credible voice of the property industry, so make sure you promote your membership.

Use the REINSW member logo on your business cards, letterheads, marketing materials and on your website.

As a member you also have access to an exclusive member flyer. Include the flyer in your presentation kits and ensure your clients and potential clients know why it's important they always use an REINSW member agent.

If you have any questions about using the REINSW member logo, please contact REINSW Membership on (02) 9264 2343 or email servicecentre@reinsw.com.au ♦



Make the most of your membership

As an REINSW member, you can benefit every day. To find out about the full range of products, services and benefits you have access to, go to reinsw.com.au/memberbenefits



DOWNLOAD
the logo and flyer at reinsw.com.au/memberlogo



realestate.com.au

*"It's really validating for the team
and the franchisees to get that
recognition from REA."*

Leanne Pilkington

Managing Director, Laing+Simmons Corporation

Game Changer of the Year 2016



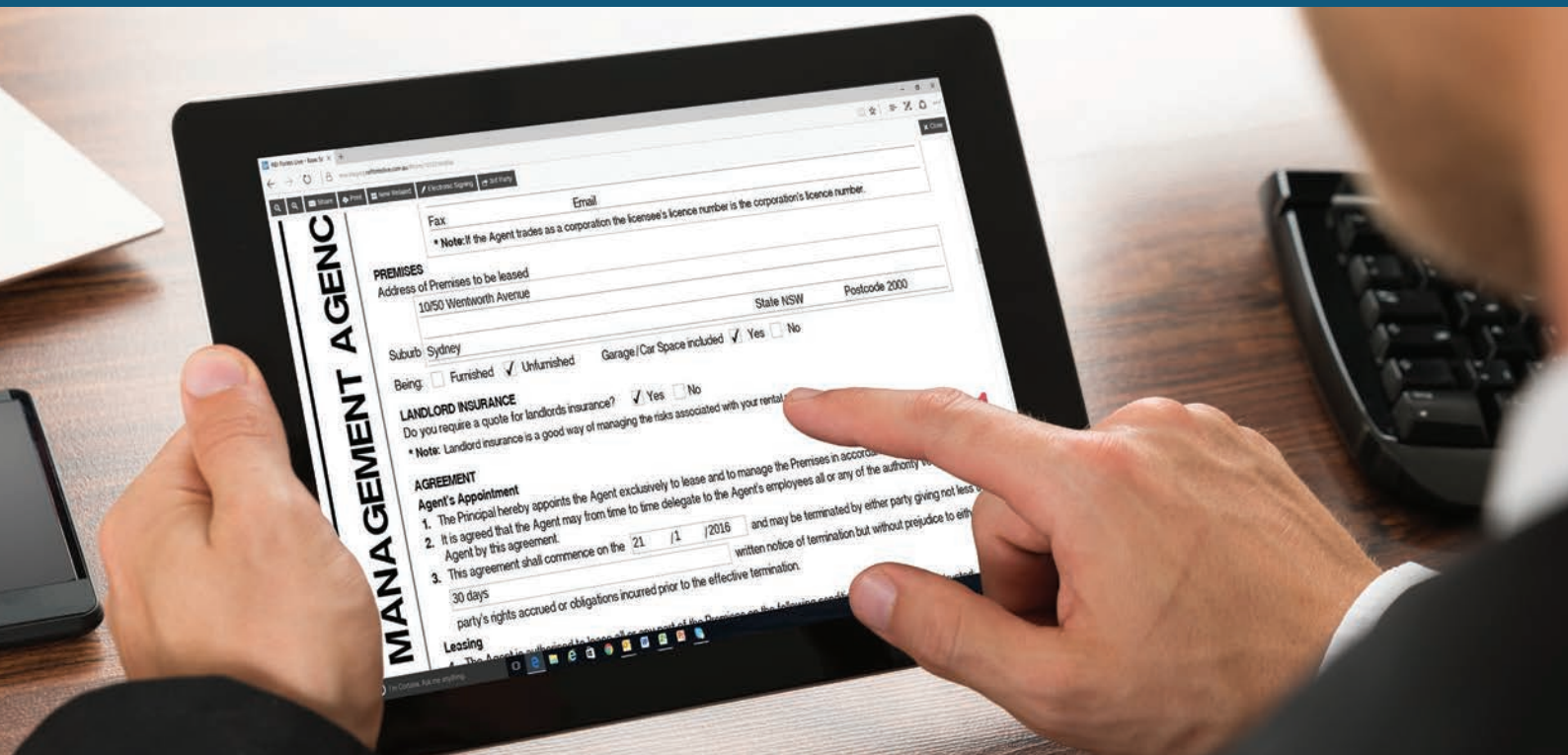
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