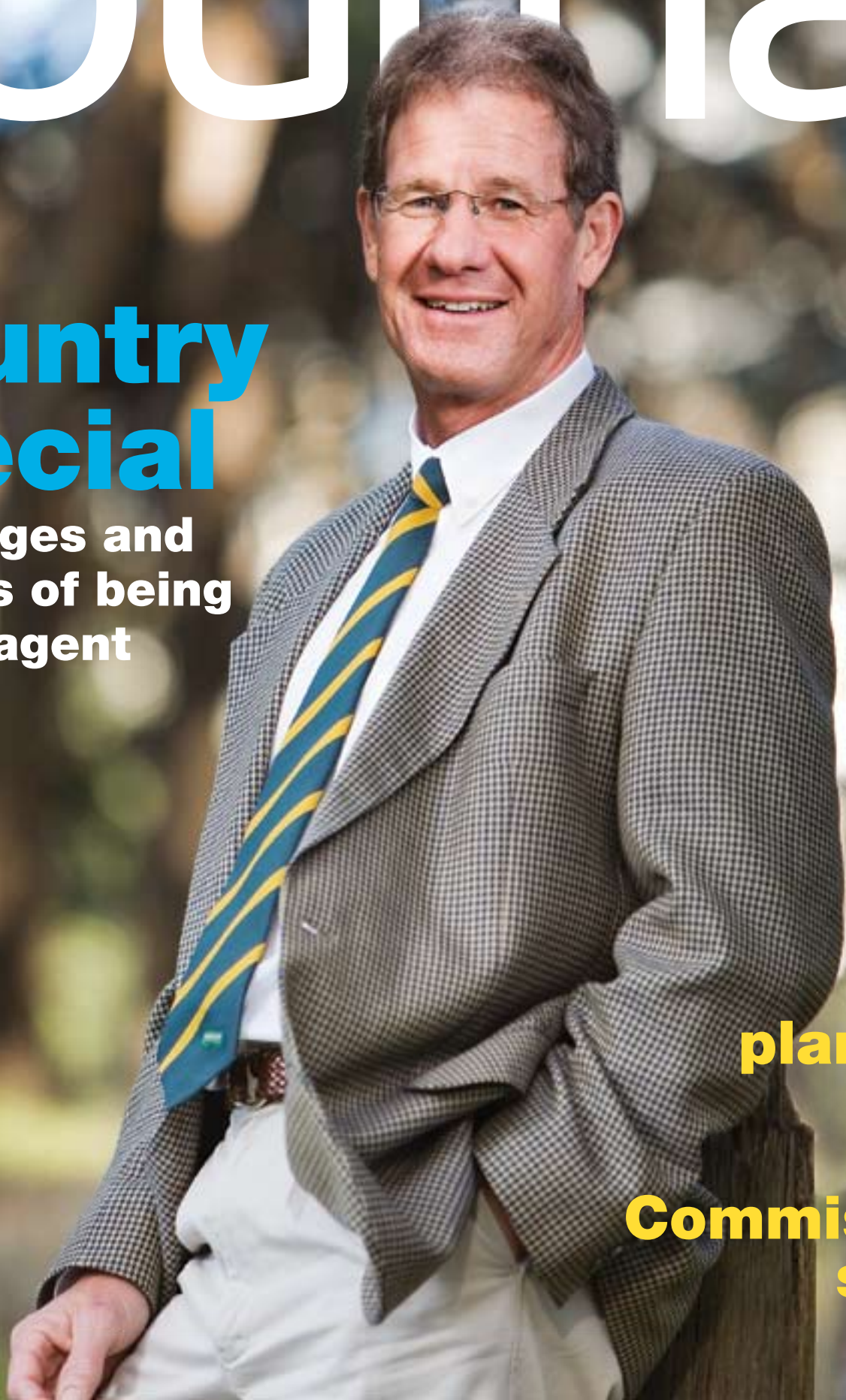


Journal

JUNE 2008
VOL 59/05

Country special

Challenges and
benefits of being
a rural agent



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Contents

JUNE 2008

COVER:
REINSW RURAL CHAPTER
CHAIR PHIL ROURKE, THE STATE REAL
ESTATE MANAGER FOR LANDMARK

16
Driving up costs
The *Journal* looks at the top five issues that are cutting into the bottom line profits of rural agencies – and what REINSW is doing to support country members.

32
Specialised agents
Agents in country areas are becoming more specialised. The *Journal* spoke to six agents whose specialties include selling pubs, water licences and dairy farms.

9
A new development in planning
Find out how the most significant overhaul of the NSW planning system in 30 years will impact on development applications.

41
Show me the money
What's the best ratio for splitting commissions between your agency and your sales staff?

PRESIDENT
President's message 3
Political action 3

NEWS
In brief 4
We've got everything covered 7
Business parks 8
A new development in planning 9
Sustainable future 11
Fair trading blitz 11
Regional centres popular 12

FEATURES
Local heroes: Change for the better 13
Green houses: Gadgets and gizmos 13
Advertising for results: The essential features of advertising copy 14
In the office: Agent renovation 15
Driving up costs 16
The agent's perspective 20
Snapshot of regional property prices 22
Ask the members: What is the property market like in your area? 23

CHAPTERS
Chapter news 24
Property management: Country challenges 25
Holiday and short term rentals: A mobile population 27
Residential sales: Better buy 28

TRAINING
CPD training anywhere 29
Country Agents Forum 29
Adaptable auctioneers 30

4 PEOPLE
Specialised agents 32
All in the family 36

11 LEGAL
Tax and contractors 37
Laws of the land 38

12 FINANCE
Super tips for employers 40
Lending a hand: Sit back or invest more? 40
Show me the money 41
Warning for younger seniors 43
Wise investment: Positive cash flow or capital gain? 43

20 RESEARCH
Auction data 44

MEMBERSHIP
Minimise your risk 45
Membership in briefs 46
Complaints resolution process 46
FIABCI: East meets west 47

SUPPLIER DIRECTORY 48

The *Real Estate Journal* is a member only publication from the Real Estate Institute of New South Wales.

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REINSW meets regularly with key industry stakeholders and politicians to lobby for changes that will benefit the real estate industry.

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Members receive the monthly Real Estate Journal magazine as well as regular email communications and access to member-only sections on the REINSW website.

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Free, immediate advice for members on all aspects of real estate practice.

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- Kingscliff Sales and Rentals on phone (02) 6674 5888, email info@salesandrentals.com.au or visit www.salesandrentals.com.au;
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- Tea Gardens Real Estate on phone (02) 4997 1300, email rick@teagardensrealestate.com.au or visit www.teagardensrealestate.com.au.

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POLITICAL ACTION

BY CHRISTIAN PAYNE
PAC CHAIRMAN

The Political Advisory Committee (PAC) intends to do more than just shout our message from the rooftops louder than ever before: we will also hand deliver our message face to face to those who need to hear it.

We recently re-launched PAC at the REINSW State Conference on May 30, where I spoke about our new slogan PAC - Leading real industry change. These words say a lot about how we see ourselves and where we are placed. We are leaders in the industry, ahead of the game and we share a vision of lobbying for changes that will benefit members and have a positive impact in the community.

At the moment we are concentrating on the State and Federal Politicians, but the work doesn't stop there. We also need to develop key relationships with other Institutes, government departments, industry bodies and the media if we are to effectively reach and influence the decision makers.

This new approach to lobbying requires more Political Action Delegates. So don't just sit there reading – join the fight! Become a PAD and you too can have a positive impact on the future of our profession.

If you would like to find out more about the Political Advisory Committee or become a Political Action Delegate, please email Cathie Dickinson at cdickinson@reinsw.com.au.

PRESIDENT'S MESSAGE



Looking after our country members

I am very aware of the challenges that face our non-metro members, as I am based in a country area myself.

Real estate, as we all know, has its day to day challenges that require great resilience and commitment to succeed. Our regional members face additional hurdles, such as recruitment challenges, skilled training opportunities and a lack of confidence in the market due to the drought.

Government may not be able to control the weather, but they can impact on many other aspects of the real estate profession, such as reducing the delays in employment and licensing applications.

I recently met with NSW Fair Trading Minister Linda Burney and one of the outcomes was that she agreed to spend a day in my office, Colliers International in Albury. She will attend auctions, process tenancy applications and attend some open houses. We believe that this may give the Minister an insight to the challenges that face not only regional members but the real estate industry generally.

Aside from regular meetings with government ministers, REINSW is also looking after our country members in other ways. For example, REINSW will conduct four CPD training days in regional areas (Albury, Dubbo, Orange and Tamworth) in coming months, with a focus on rural agency. For more details, see p29.

In other news, I am pleased to announce a new way to help agents provide insurance services for their clients. REINSW has assisted Aon in developing a process that makes it easy for agents to distribute Aon insurance products, such as rental protection for landlords, whilst meeting the legal requirements for financial services. Find out more on p7.

Steve Martin
REINSW President

NEW MEMBERS

Courier Newspapers
170-180 Bourke Road
ALEXANDRIA NSW 2015

DMS Auction Services
Lot 1 Schiller Street
WAGGA WAGGA NSW 2650

Dural First National
588 Old Northern Road
DURAL NSW

Marketing Angels
Ground Floor
32 Atchison Street
ST LEONARDS NSW 2065

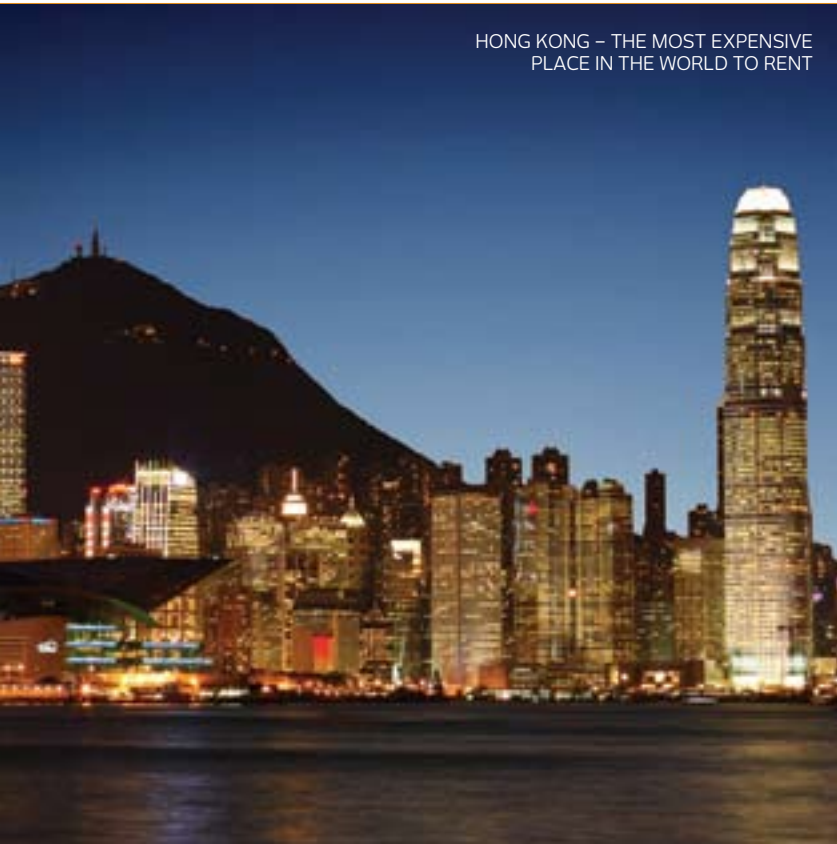
Newington Village Real Estate
Shop 12 6 Avenue of Europe
NEWINGTON 2127

Patrick Firmstone
11 Clyde Ridge Road
MILTON NSW 2538

Ray White Bundeena
46-48 Brighton Street
BUNDEENA NSW 2230

Sutton Anderson
Suite 2 Level 1
116-118 Christie Street
ST LEONARDS NSW 2065

Waratah Real Estate Pty Ltd
123 Smith Street
SUMMER HILL NSW 2130



HONG KONG – THE MOST EXPENSIVE PLACE IN THE WORLD TO RENT

Not so expensive after all

Despite the rapidly rising rents in Sydney, the city is still less expensive to rent than Hong Kong, New York or Paris.

A global survey of rents ranked Sydney as the 32nd most expensive city in which to rent a three-bedroom apartment, in a list of 92 cities.

The survey, conducted by human resources company ECA International, is used to compare the cost of expatriate housing around the world.

Hong Kong topped the list with an average monthly rent of \$US9,700 compared to Sydney at \$US3,015.

World's most expensive locations to rent

- 1) Hong Kong
- 2) Moscow
- 3) New York
- 4) Tokyo
- 5) London
- 6) Mumbai
- 7) Seoul
- 8) Caracas
- 9) Singapore
- 10) Ho Chi Minh City

Interest shock

A large number of Australian families are suddenly being hit with three years' worth of interest rate rises at once, as their fixed rate home loans roll over into variable loans.

"The Reserve Bank has increased interest rates eight times since 2005 which borrowers locked into fixed rate loans have been immune to until now," said Angus Raine, CEO of Raine & Horne.

"However this year, 30% of Australians who previously fixed their mortgages with three and five year fixed products will shift from around 6% to a standard variable interest rate nudging 9%. This will rock many household budgets."

Repayments of around \$1,750 on a 25-year interest only mortgage of \$350,000 could jump to a monthly repayment of \$2,624 – an increase of \$870 or around 50%.

Raine & Horne has warned home owners to be prepared for the lifestyle changes required when their mortgage rolls over to help avoid plunging into mortgage stress.

Pay on the rise

Remuneration in the property industry increased by an average of 6% in the 12 months to April 2008, according to the latest Avdiev Property Industry Remuneration Report.

The pay increase was much better than the 4.9% received by the general work force.

Pay rises are set to continue, with forecasts for an average 5% rise to reward good performance and retain staff. In addition, companies are fast-tracking their young employees through the ranks, with two-thirds of survey respondents offering early promotion to their young and promising executives.

The report mainly looks at the top end of the real estate market as part of a survey of 10 market sectors of the property industry, including property securities, shopping centre management, town planners and property development.

Copies of the report can be ordered by emailing info@avdiev.com.au



Facelift for Wollongong

Wollongong's city centre will get a facelift after NSW Planning Minister Frank Sartor announced approval for a \$311 million expansion of Wollongong Central shopping centre by GPT Group.

Up to 20 shops and businesses along the west side of Keira St and on Crown Lane will be demolished to build a new six-level complex. The existing Wollongong Central will also be upgraded, the retail facade to Crown St Mall overhauled and a new eight-screen cinema complex built on the corner of Market and Church streets.



Rents keep rising

The latest rent figures confirm the challenges facing tenants in a tight market.

The median rent for a two bedroom unit in Sydney has risen by \$10 for six consecutive quarters in row, up 12.5% in a year.

“One of the main reasons is there’s just not enough investment,” said NSW Housing Minister Matt Brown.

However he didn’t offer any practical solutions to the problem.

“No one person has the silver bullet to change all of this,” the *Sydney Morning Herald* quoted him as saying.

The latest Rent and Sales Report is available for download at www.housing.nsw.gov.au.

Green star for apartments

Apartment buildings can now apply for Green Star ratings with the launch of a new rating tool.

The Green Building Council of Australia launched the rating tool – which is still in pilot phase – to assess the environmental attributes of new and refurbished multi-unit residential facilities.

Projects will be given credit for initiatives that enhance energy-efficiency and promote a reduction of private car trips.

Conveyancer check

The NSW Office of Fair Trading has launched an online system for consumers to check the licence of a prospective conveyancer before signing a contract for their services.

The online facility is a record of information relating to conveyancer licences and includes:

- name and business address of the holder
- the licence number
- date of issue and expiry
- any disciplinary action against the licence holder.

Licensed conveyancers must also have professional indemnity insurance to protect clients in case they make a mistake or are negligent in their work.

For further information or to conduct a licence check on a prospective conveyancer, visit the website www.fairtrading.nsw.gov.au or call 13 32 20.



Home harmony

Laing+Simmons has launched a new website providing consumers with expert advice on lifestyle topics including painting, plumbing, interior design, landscape gardening, electrical and Feng Shui fields.

Visitors to the website sign up as a registered user and submit their question at no charge, and the panellists will then pick the top five questions to respond to on a daily basis.

The website is located at www.askls.com.au.

Fast growing

Castlecrag on Sydney’s north shore is the third fastest growing suburb in Australia, according to recent figures from RP Data.

Castlecrag, with a median property price of \$1.81 million, grew by 49% over the previous 12 months. Nearby Northbridge was ranked number 18 in RP Data’s list of the top 50 fastest growing suburbs in Australia, with a median price of \$2.05 million and price growth of 43.3%.

Only six locations in NSW made the list, with Broken Hill from the state’s far west ranked 13 with growth of 44.6% and a median price of just \$120,000.

At the top of the list was Mont Albert from Victoria with a median price of \$1.04 million and 50% growth in 12 months.

Mortgage stress

Approximately 750,000 households across Australia are in some form of mortgage stress.

The figures were contained in a report by Fujitsu and JP Morgan, Anatomy of Australian Mortgage Stress. The report predicted that an additional 150,000 households will slip into mild stress for every 25 basis point rise in interest rates.

The report also found that the journey from first signs of stress to ultimate sale or foreclosure takes on average about 30 months.

“We have, however, observed some more rapid declines into debt and foreclosure in less than 24 months recently. We believe the speed of collapse is increasing,” the report said.

IAN KIERNAN AND CHRISTINE BARTLETT AT THE JLL ANNIVERSARY DINNER



“Outlook favourable but problems formidable” - Jack Hughes, 1957

A decision made in London 50 years ago began the transformation of Jones Lang LaSalle into the global firm it is today.

The Jones Lang Wootton partners’ pioneering spirit, in spite of the “formidable” problems of launching into an unknown hemisphere, brought to fruition a single, unified firm with a global presence spanning the Americas, Europe and the Middle East and Asia Pacific.

On 7 May 2008, Jones Lang LaSalle was proud to celebrate its 50th birthday in Australia. The Global, Asia Pacific and Australia CEO’s (Colin Dyer, Peter Barge and Christine Bartlett) collectively hosted several hundred of the firm’s clients and business associates at a gala dinner at Sydney’s Wildfire Restaurant.

To commemorate the occasion, the firm produced a book that documents its history in Australia, available at www.first50years.com.au.



Don't put off til tomorrow, what you can spend today.

Are you aware that if you are over age 55 you can access up to 10% of your superannuation balance annually? This can be done via a transition to retirement allocated pension which pays you while you continue to work full or part time.

What you do with those extra funds is up to you.

One option can be to structure your finances to use a transition to retirement allocated pension to save tax and increase your superannuation balance. At REI Super *Elite* we help Real Estate agents to do this all the time.

So how does a transition to retirement allocated pension work?

For more information, call 1300 134 433 or visit www.reisuper.com.au today.

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We've got everything covered



PROVIDE BETTER SERVICE FOR YOUR CLIENTS – AND MAKE MONEY TOO – BY BECOMING A DISTRIBUTOR FOR AON INSURANCE PRODUCTS.

Most property managers understand how important it is for their landlords to be properly insured – and none know better than the agents who have witnessed horror tenants and the problems they can cause!

Many property managers do not realise that they could assist their clients by providing a rental protection policy for them and signing them up on the spot.

REINSW and Aon have made this possible with a new set of easy-to-follow guidelines for agents to become distributors of insurance products.

“LANDLORDS AND TENANTS CAN SIGN UP FOR INSURANCE ON THE SPOT, WITH THE AGENT APPLYING ON THEIR BEHALF ONLINE OR OVER THE PHONE.”

It's similar to the way that some car dealerships assist their clients with car insurance when you buy a new car, which provides their customers with better service and takes some of the hassle out of it for you. Real estate agents can do the same sort of thing for their clients, as well as make some commission from the sale of the policy.

I thought I couldn't get involved in insurance?

Since the introduction of the *Financial Services Reform Act* in 2004, it is illegal to provide financial advice without an Australian Financial Services Licence. This effectively prevents people such as real estate agents from giving advice

“BY BECOMING A DISTRIBUTOR, IT'S EASY FOR AGENTS TO PROVIDE BETTER SERVICE FOR THEIR CLIENTS.”

or making recommendations about insurance policies.

REINSW and Aon have worked hard to find a way for agents to be able to assist their clients with insurance whilst staying within the law. The result is a distributor agreement that makes it easy for agents to provide insurance products.

“All the agent has to do is become a distributor, which they can do by signing a simple agreement,” said REINSW President Steve Martin. Becoming an Aon distributor enables agents to operate under Aon's Financial Services Licence.

“You then have to follow certain guidelines when talking to clients about insurance. Basically, agents can tell their clients factual information about the products, but cannot give an opinion or advice about the products.”

Agents must also hand out a one-page explanation notice about what it means for the agent to be a distributor, and ask their clients to read the relevant Product Disclosure Statement.

“Landlords and tenants can sign up for insurance on the spot, with the agent applying on their behalf online or over the phone,” Steve said.

Aon also has guidelines for agents who would like to be part of the process of renewing insurance policies. The guidelines include ensuring that all documentation is sent to the clients, who can then instruct the agent to renew the policy and pay the premium on their behalf.

Benefits to the property manager

- Better service to your client

By providing your landlord with a set of policies for rental protection that they can purchase on the spot, the property manager takes some of the hassle out of insurance for their client.

- Better retention of clients

By providing better service to your client and by assisting them with insurance renewals, you can help to ensure you retain management of your client's property for longer.

- Peace of mind

By providing a rental insurance policy for a landlord, the property manager knows for certain that their landlord is protected. The property manager can also help to ensure that the policy remains up to date in future years. Then if the worst should happen, the property manager has peace of mind that the landlord is properly insured.

- Additional source of revenue

Property managers can choose to receive commission on the policies they sell. These commissions will be paid to the agent each year until the product is cancelled, while the landlord remains the agent's client. You must of course disclose to your client that you will be receiving commission from acting as a distributor.

- Protection for tenants

Tenants often do not realise that they – and not the landlord – are responsible for insuring their contents. When disaster strikes and tenants' possessions are damaged or stolen, tenants often blame the agent or the landlord for failing to assist them. To avoid this hassle, property managers can explain to new tenants that it would be prudent to take out insurance for their contents. As an Aon distributor, property managers could go one step further and have a policy ready at hand and the tenant

could sign up on the spot. Aon's TenantSURE product provides contents insurance for tenants for as little as \$10 a month.

Benefits to sales agents

Sales agents can also distribute Aon insurance products, such as home and contents insurance, for their vendors or purchasers – taking some of the hassle out of insurance for the buyers and sellers and providing an additional source of income to the agent.

“Agents do not need to be afraid of talking about insurance,” Steve said. “By becoming a distributor, it's easy for agents to provide better service for their clients by providing them with a policy and helping them to sign up on the spot.”

To find out more about becoming a distributor, call Aon on (02) 9683 0921 or email nswre@aon.com.au. ♦

Disclaimer

The information in this article is of a general nature only and individuals should consider their own circumstances before proceeding in reliance on such information. Whilst care has been taken in preparing this article, and the information contained in it has been obtained from sources that the Aon Group of Companies (Aon) believe to be reliable, Aon does not warrant, represent or guarantee the accuracy, completeness or fitness for purpose of that information. Aon accordingly accepts no liability for any loss resulting from the use of the information in this article.

Aon insurance policies

For landlords

Rental Protection Plus

Rental Protection Plus Advantage (packaged policy)

Landlords Property One (not available for new policies)

For tenants

TenantSURE

For owner occupiers

Home and/or contents insurance with various levels of cover available

Business parks



NORWEST BUSINESS PARK

SYDNEY'S FOUR MAIN BUSINESS PARKS JUST KEEP GETTING BIGGER, AS MORE AND MORE COMPANIES ESCAPE THE CONFINES OF THE CITY TO CHEAPER, MORE SPACIOUS OFFICES IN THE SUBURBS.

Business parks are already the hottest trend in the Sydney office market, and now a report by Knight Frank has identified that there's even more growth to come, with a large number of construction projects set for completion over the next two years.

Macquarie Park in North Ryde is set to expand the most, partly due to the opening of the Epping-Chatswood rail link in the coming months, which includes a station at Macquarie Park. The area has also benefited from the opening of the Lane Cove Tunnel, providing faster road access to the city.

In this business park alone, nearly 110,000 sq m of office space is due for completion this year across nine projects, before peaking in 2009 when an additional 120,000 sq m is set to enter the market.

"This strong injection of office space anticipated to enter the market during the next 24 months will increase stock levels in the market by 35% and represents 50% of new office space entering the four business parks," Knight Frank said in the report.

"This growth is significant in comparison to Sydney CBD which is anticipated to grow just 2% in size during the same two-year period.

"The market remains an affordable alternative to all traditional office markets, with average gross face rents 34% cheaper than comparable properties located within North

"THE MAJOR ATTRACTION OF BUSINESS PARKS HAS BEEN THE AVAILABILITY OF LAND AND THEREFORE THEIR ABILITY TO ACCOMMODATE LARGE SCALE CUSTOM-BUILT FACILITIES."

Sydney and 55% cheaper than Sydney CBD."

Business parks have surged in popularity over recent years, as city rents have spiked and it has become increasingly difficult to find enough space in the CBD.

"The major attraction of business parks has been the availability of land and therefore their ability to accommodate large scale custom-built facilities at more affordable rents in comparison to traditional office locations," Knight Frank said.

The four business parks examined by Knight Frank in its research report were Macquarie Park/North Ryde, Norwest, Homebush/Rhodes and Mascot. Major tenants to move to these areas in recent years included Optus, the Commonwealth Bank of Australia, Hyundai and ABN Amro.

These four business parks have more than doubled in size in just five years. Collectively they now make up 1.24 million sq m of office stock, representing 36% of office stock in Sydney's suburbs and 12% of total office stock for the metropolitan area.



MACQUARIE PARK INCLUDING THE NEW OPTUS HEAD QUARTERS

While Macquarie Park is growing at the fastest pace, Norwest is also expanding rapidly with a further 115,000 sq m due for completion over the next two years.

"However, Norwest Business Park has development capacity for approximately a further 180,000 sq m of commercial space, which is anticipated to be fully developed over the next five to eight years," Knight Frank noted.

Norwest has only experienced modest rental growth of 3% over 12 months and remains the most affordable market of the four major business parks.

With all this new stock, the challenge now is to ensure it gets filled up – a point noted by CB Richard Ellis in a recent report.

"Precommitments will become crucial for new developments, as vacancy may blow out as a result of too many speculative developments," CBRE said.

Sydney CBD

The trend of companies escaping the city seems set to continue, with other reports predicting low vacancy rates

and rising rents in the CBD over the next few years.

"Sydney's CBD vacancy declined from 6.6% to 3.7% as at January 2008 and is expected to remain below 4% for the next two years, given limited new supply," said Colliers International.

CBRE said that in prime buildings, vacancy was even lower at 2.5% while in grade A buildings, vacancy was just 1.7%.

The competition to secure an office has pushed up rents, with prime CBD gross face rents jumping 15.7% in just 12 months.

For companies that want to remain near the city but don't want to pay top dollar, the city fringes such as Ultimo have become ideal locations, with rents about half that of the prime CBD buildings – about \$343 / sq m compared to \$673 / sq m for a prime city location, according to CBRE.

The tight supply and high rents in the city spells good news for business parks and suburban offices in the next few years – so long as building owners and managers are able to find enough tenants to fill the new space. ♦

A new development in planning



BY JODIE MASSON
AND LAUREN MASON

THE MOST SIGNIFICANT OVERHAUL OF THE NSW PLANNING SYSTEM IN 30 YEARS WILL SOON COME INTO EFFECT, WITH THE AIM TO REDUCE DELAYS IN ASSESSING DEVELOPMENT APPLICATIONS.

The *Environmental Planning and Assessment Bill 2008*, which is expected to come into effect by July 1, has sparked controversy for the dramatic changes it intends to introduce with the stated aim of increasing the efficiency of the current planning system.

One of the primary aims of the proposed reforms is to reduce significant delays in the assessment process of development applications by tailoring the development application assessment process to the size of the proposed development.

This should help to reduce delays for small scale developments, such as home extensions. However developers will need to be aware of other changes, which include a reduced time frame for appeals and the establishment of a range of new independent bodies for appeals and reviews.

Development application assessment

The reforms aim to reduce the time frame in which local councils must assess development applications. Due in part to the limitation of the resources of local councils, currently the average assessment process takes more than two months.

The Bill intends to establish a number of independent decision making bodies to assist in the determination of the proposals to reduce the delays.

A Planning Assessment Commission will be comprised of independent

ONE OF THE PRIMARY AIMS OF THE PROPOSED REFORMS IS TO REDUCE SIGNIFICANT DELAYS IN THE ASSESSMENT PROCESS OF DEVELOPMENT APPLICATIONS.

experts who will assess about 80% of the proposals currently determined by Planning Minister Frank Sartor. This is intended to enable the Minister to focus on the assessment of long-term, strategic planning development applications and applications relating to critical infrastructure.

A Joint Regional Planning Panel comprised of NSW Government and local council appointees will determine regionally significant proposals. Also, councils will be able to appoint Independent Hearing and Assessment Panels to advise on development applications and other planning matters.

Planning arbitrators

Development applications for small scale residential renovations, other minor developments for single dwellings, or with a value of less than \$1 million, will continue to be determined by the Councils. However, appeals and reviews will be dealt with by independent Planning Arbitrators.

The relevant local council will be responsible for the initial



determination of the application within a short time frame (yet to be disclosed). If the council does not abide by the time frame, upon the expiration of the time frame, applications will be submitted to a Planning Arbitrator who will be required to conduct a non-legal review within approximately 14 days.

Also, if the applicant wants a council decision to be reviewed, a Planning Arbitrator will be required to review the application before an appeal to the Land and Environment Court can be made. Applicants will be able to amend their application prior to the Planning Arbitrator reviewing the council's decision. If a Planning Arbitrator has not determined a

review application within the period prescribed, the application is taken to be refused on the date on which the period expires.

One of the intentions of the reforms is to limit appeals to the courts. Accordingly, general appeals to the Land and Environment Court will need to be made within three months from the date on which the applicant receives notice of the determination of the Planning Arbitrator.

The reforms favour a more applicant-friendly assessment process which, it is intended, will reduce the frustrations of applicants in relation to the often lengthy delays. Only applicants will be able to appeal

to the Land and Environment Court and councils will not be able to appeal a decision of a Planning Arbitrator. Generally, the reforms are a positive step to encourage efficient assessment of planning development in NSW.

THE MINISTER'S POWER TO COMPULSORILY ACQUIRE LAND IS EXTREMELY BROAD.

Although the reforms are likely to reduce delays, this improvement may be offset by potential inconsistencies and mistakes that are risked as the applications are pushed through the new system to meet shortened time frames.

Complying and exempt development

An increase in complying and exempt development will also assist the assessment process to reduce the processing time for small scale residential development applications. Revised building codes will allow assessors to determine whether the application complies and is exempt from a more lengthy assessment process. An accredited certifier or the local council may issue a complying development certificate and this will allow the applicant to proceed with the development.

Consistent with the pursuit of reducing unnecessary backlogs

of development applications, councils or accredited certifiers may issue a complying development certificate where a proposed complying development does not comply with the development standards but where the non-compliance is of a minor nature and not likely to cause any substantial net adverse impact on owners of adjoining land or the land on which the development is carried out. Adherence to strict building codes will benefit the assessment process by enabling complying and exempt development to overcome insubstantial, minor non-compliance issues.

Lapsing of development consents

Currently development consents will not lapse as long as work has physically commenced within the time frame specified in the consent. Physical commencement of work is a low threshold test which may be satisfied by the placing of pegs and other survey works on the land.

Under the reforms, however, even if work has been physically commenced, if the work is not substantially commenced within two years after the date from which the consent operates, the consent will lapse.

In order to preserve development consents, developers will have to be aware of this requirement that substantial works will have to be commenced within the time frame of the development consent.

THE BILL INTENDS TO ESTABLISH A NUMBER OF INDEPENDENT DECISION MAKING BODIES TO ASSIST IN THE DETERMINATION OF THE PROPOSALS.

Compulsory acquisition of land

One of the more controversial aspects of the reforms is that the Minister, or a designated authority acting under the Minister's direction, may acquire land for the purpose of, or in connection with, an urban renewal proposal or an urban land release if it is believed that the acquisition will result in net public benefit.

The absence of definitions of 'urban renewal proposal', 'urban land release' and 'net public benefit' in the Bill means that the Minister's power to compulsorily acquire land is extremely broad. Minister Frank Sartor has stated that this law will be used to ensure developments for the greater public benefit cannot be blocked and it is likely that this power would be used to address issues regarding the availability of housing.

Under the current law, the Minister is not able to resell land which has been compulsorily acquired or transfer it to

another person for profit. The reforms expressly allow that the Minister will be able to on-sell the acquired land to developers for profit.

Some of these proposed reforms regarding the compulsory acquisition of land have justifiably been seen as concerning in various sectors of the community, although no doubt these reforms will remove some of the frustrations experienced by developers where just one person could stifle a development which could benefit the community.

Conclusion

It is important to be aware of the multi-faceted, impending amendments to the *Environmental Planning and Assessment Act 1979* which promise to be the most significant overhaul of the NSW planning system in about 30 years.

Some of main proposed reforms are certainly a positive step to reduce delays for applicant property owners wishing to undertake small scale developments on their own property. Once the Bill becomes law, property developers should be particularly mindful of the changes to lapsing development consents and the proposed new limitation period of three months rather than 12 months to appeal a development application decision.

Jodie Masson is a Partner in the property and development practice of Middletons, while Lauren Mason is a Law Clerk. For more information, call (02) 9513 2469. ♦



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Sustainable future

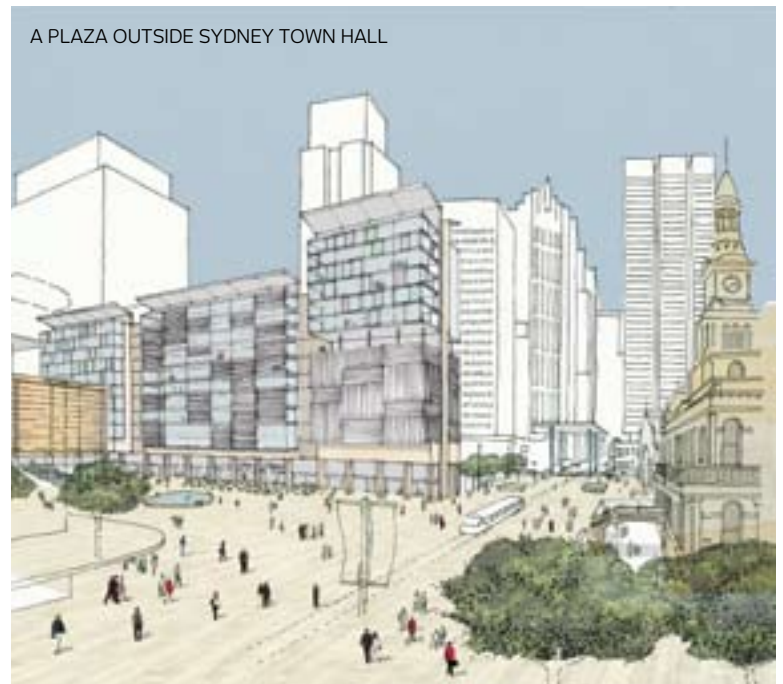
WHAT WILL SYDNEY CITY LOOK LIKE IN 2030? VISIONARY ARCHITECTS HAVE RECENTLY PUT THEIR IDEAS ON DISPLAY IN CONJUNCTION WITH THE CITY OF SYDNEY.

The display at Customs House in Circular Quay provided a visual showcase of the City of Sydney's Sustainable Sydney 2030 plan.

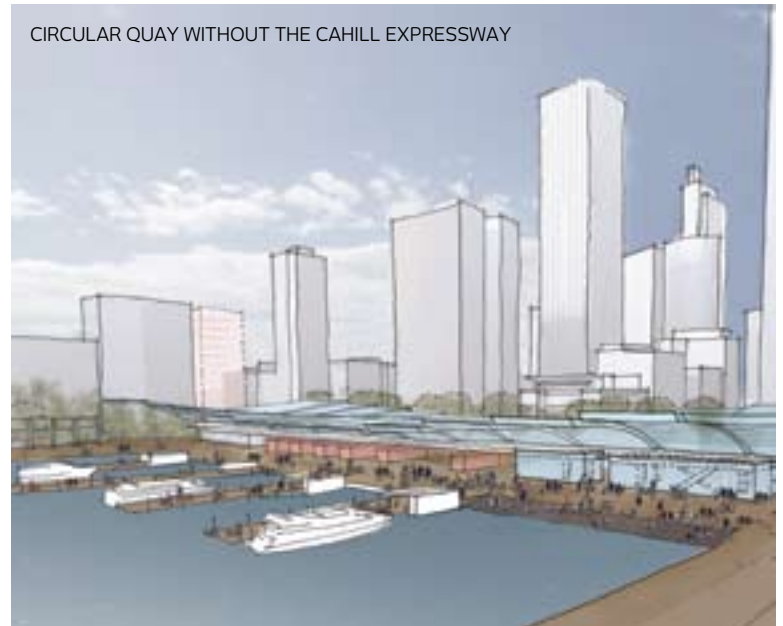
The exhibition included a 3D animation of the city centre that showed what it would look like if the Cahill Expressway was

THE USE OF PUBLIC TRANSPORT FOR TRAVEL TO WORK BY CITY CENTRE WORKERS WILL INCREASE TO 80%.

removed, Central Railway Station redeveloped, and George Street closed to traffic outside Sydney Town Hall. ♦



A PLAZA OUTSIDE SYDNEY TOWN HALL



CIRCULAR QUAY WITHOUT THE CAHILL EXPRESSWAY

City of Sydney sustainability targets

By 2030:

- the city will reduce greenhouse gas emissions by 50% compared to 1990 levels;
- the city will have the capacity to meet up to 100% of its energy demand and 10% of its water supply;
- there will be at least 132,000 dwellings (48,000 additional dwellings) in the city catering for an increased diversity of household types, including a greater share of families;
- the use of public transport for travel to work by city centre workers will increase to 80%;
- at least 10% of trips made in the city will be by cycling and 50% of trips will be made by walking;
- every resident will be close to a main street with fresh food markets, childcare, health services and leisure, social, learning and cultural infrastructure; and
- every resident will be within a three-minute walk of continuous green links that connect to the Harbour Foreshore, Harbour Parklands, Moore and Centennial Parks or Sydney Park.

Fair trading blitz

THE NSW OFFICE OF FAIR TRADING (OFT) HAS WARNED THAT IT INTENDS TO CONDUCT MORE SNAP INSPECTIONS AFTER A RECENT BLITZ IN COFFS HARBOUR.

OFT inspectors visited a total of 317 traders in Coffs Harbour, including real estate agents, service stations, motor dealers, travel agents and building work sites.

"Inspectors found a generally high level of compliance with laws, however, some minor breaches were detected," said Fair Trading Minister, Linda Burney.

Real estate agents were among the traders who received penalty notices.

"Offenders were spoken to about their breaches and reminded that there will be follow-up visits to ensure they have taken measures to rectify the problems identified," Ms Burney said.

"Fair Trading will continue to conduct regular compliance and education campaigns across the state to ensure that consumers are well informed on their rights and traders are meeting their obligations under the law."

The laws governing the real estate profession are among the most complicated and detailed of any industry, making it difficult for even the most careful agencies to be confident that they are meeting all of their obligations.

"FAIR TRADING WILL CONTINUE TO CONDUCT REGULAR COMPLIANCE AND EDUCATION CAMPAIGNS ACROSS THE STATE."

Penalties for mistakes can be severe, including fines, loss of commission and even loss of licence.

Agencies can minimise their risk by taking advantage of the exclusive member-only REINSW Compliance Review Service. A friendly REINSW representative will review your

office and provide advice on how to improve your systems and procedures.

"Don't wait until an OFT inspector knocks on your door," said REINSW President Steve Martin. "A Compliance Review will give you the confidence that you are doing everything correctly."

To book a Compliance Review, call REINSW on (02) 9264 2343 or email compliance@reinsw.com.au. ♦

Regional centres popular

A RECENT ANALYSIS OF THE 2006 CENSUS FIGURES SHOWED THAT REGIONAL CENTRES INCREASED THEIR POPULATION BY 5.7% OVER THE PREVIOUS FIVE YEARS. THIS WAS LESS THAN THE TOTAL POPULATION INCREASE FOR AUSTRALIA OF 6.6% BUT FASTER THAN THE GROWTH OF SMALL TOWNS.

The report showed:

- At the 2006 Census, more than 7.5 million Australians lived outside capital cities, an increase of 472,700 since 2001. The growth has mainly been in coastal areas, as well as regional centres that have become magnets to the small towns and rural areas surrounding them.

- The highest levels of workforce participation were in rural areas (67.5%) and rural people continued to work to an older age than their major urban counterparts.
- Housing was more affordable and home ownership rates were higher in rural areas than in major urban centres. More than three-quarters (76.2%) of homes in rural areas and 69.4% of homes in small towns were owned or being purchased. This was considerably higher than the rate of home ownership in major urban centres (63.6%).
- People in country areas were more likely to take on voluntary work to support their communities.

HOUSING WAS MORE AFFORDABLE AND HOME OWNERSHIP RATES WERE HIGHER IN RURAL AREAS THAN IN MAJOR URBAN CENTRES.

In 2006, more than a quarter of people in rural areas (27.9%) and small towns (26.6%) volunteered their time, compared to the national average (19.8%).

The Country Matters report can be downloaded for free from www.brs.gov.au/shop.



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LOCAL HEROES:
Change for the better

WHEN CLIMATE CHANGE SKEPTIC BRIAN KENNY, A COMMERCIAL AGENT IN NOWRA, BECAME CONVINCED OF THE ENVIRONMENTAL PROBLEMS FACING THE PLANET, HE FOUND A PRACTICAL WAY TO MAKE A DIFFERENCE IN HIS LOCAL COMMUNITY.

More than 150 people – including farmers, local business representatives and students – recently gathered at a Climate Change Forum in Bomaderry on the NSW South Coast.

The event was organised through the local Rotary Club by Nowra real estate agent Brian Kenny, who wanted to find practical ways that people could make a positive difference to the environment.

“EACH PERSON THAT WENT OUT OF THE ROOM WAS GIVEN A CANDLE TO HAVE A CANDLELIGHT DINNER ONE NIGHT A WEEK.”

“I bought 100 candles,” said Brian, a Commercial Consultant at Elders Real Estate, Nowra. “Each person that went out of the room was given a candle to have a candlelight dinner one night a week. It’s a gimmick, something that people smile about, but it’s also a practical thing.”

The forum featured a panel discussion from four people: a high school student, a local resident with more than 30 years’ experience in the energy industry, and two representatives from the Southern Rivers Catchment Management Authority.

The forum also featured a talk by the environmental officer for TAFE in the Illawarra region.

“He was employed to work with TAFE to reduce their energy use by 10% per year over a number of years,” Brian said. “He spoke about how they have been achieving that. That’s the seed that’s sown to show how other industries should be looking at ways and means of doing this.”

One year earlier, Brian would never have imagined that he’d be taking environmental issues so seriously. Like many agents, Brian believed his worklife had little relevance to global problems like climate change. The topic hardly ever came up with the retail tenants, warehouse owners and other commercial clients he talks to on a daily basis.

“I’m a skeptic, I must admit,” he said. “I had thought that historically there had been climate change occurring for eons, but when you start to delve into it, the evidence shows that it’s happening more quickly now.

“What convinced me was reading about Sir Edmund Hillary after he passed away – about his 50 years of lifetime in the Himalayas looking at the glaciers that feed into the river systems of Nepal and India, and his trips to Antarctica, saying this is a reality and this is a world problem.”

Brian was also impressed by the evidence in a report prepared by economist Sir Nicholas Stern in the United Kingdom. The report contained a number of statistics about melting glaciers, rising world temperatures and extreme weather patterns. It concluded that a two to three degrees Celsius rise in temperatures could reduce global economic output by 3%.

A special edition of the *Real Estate Journal* last June, which contained a number of articles giving practical advice on what real estate agents could do to help the environment, also helped convince Brian to take action.

“Those articles, in many ways, spurred me on to doing this,” he said. “When you see articles in publications such as the *Journal*, you lessen your skepticism.”

He still finds that few commercial tenants or landlords are talking about the environment, but he hopes that will eventually change.

“It’s a very important topic,” he said. ♦

GREEN HOUSES:
Gadgets and gizmos

WE’VE ALL HEARD ABOUT WATER TANKS AND SOLAR PANELS, BUT THERE ARE ALSO LOTS OF CHEAPER PRODUCTS THAT CAN MAKE A BIG DIFFERENCE TO YOUR FAMILY’S IMPACT ON THE ENVIRONMENT.

WHY NOT INCLUDE SOME OF THE FOLLOWING GADGETS INTO YOUR WELCOME PACKS FOR PURCHASERS?



Shower timer - \$19.95
 Showers are heavy on water use, heavy on energy bills and contribute to greenhouse gases – so every minute saved on showers makes a big difference.



Water fork - \$64.95
 Attach to your garden hose to deliver water to the root systems of plants, where plants need water the most, while aerating at the same time.



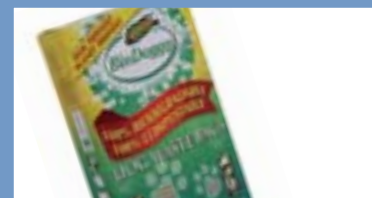
Max Air Bin with liners - \$17.95
 A convenient and odour free way to dispose of your organic waste in the kitchen. Put it under your sink and throw your food scraps and compostable items in it instead of down your drain or in your garbage.



Swish-a-sink water saver - \$11.95
 The nozzle swivels to point anywhere in your sink and switches between a fine spray for rinsing vegies and plates, to a straight jet for filling pots and kettles. It can reduce water flow by 9 litres per minute.



Downlights
 If you swap just four halogens in your home, you could save \$55 on your electricity bill.



Bio doggy bags - \$9.95
 A 100% biodegradable and compostable poop bag for the environmentally-responsible dog owner.



Eco Kitchen pack - \$129.95
 A combination of water savers, cleaners and waste recycling products, including dishwasher liquid, surface cleaner, laundry powder concentrate, a Swish-a-sink water saver and a compost bin.



Cistern flush saver - \$12.50
 A nifty gadget that gives you better water consumption than a modern dual flush toilet. Once installed, simply hold down the flush button to deliver the exact length of flush you require.

The above products can be purchased from www.neco.com.au.

The essential features of advertising copy



BY DOUG MALOUF

PLANNING AND WRITING GREAT ADVERTISING COPY WON'T STRIKE YOU LIKE A BOLT OF LIGHTNING, SO BE PREPARED TO THINK THROUGH YOUR COPYWRITING STRATEGY.

To produce really effective ads that get the phones running hot, a copywriter needs time and a good frame of mind to create the ads. Publishing bad copy is a waste of money and harms your reputation.

The copywriter needs time for: Analysis – analyse the state of the market and the needs of buyers. WHAT do they want?

Development – formulate all the worthy content from the analysis to go into the ad.

Creativity – find ways of drawing attention to your ad, using words and visuals.

Let's look at the four essential characteristics of effective ad copy. I like to call them the four A's:

Attention

Good ad copy grabs the reader's attention. It highlights a key idea or important item that is of interest to buyers. Headings are very useful to grab attention. What happens next depends on the quality of the rest of the ad copy.

Arouse interest

Arouse the buyers' interest by telling them the things they want to know. If you don't give them this, they'll stop reading after a few words. A recent study carried out in the US identified 4 key types of information that a buyer wants to know:

1. Location – 87% of people want to know the specific suburb.
2. Price – people want price up front, otherwise they won't spend a 'dime' on the phone call.
3. The number of bedrooms – there's always a number of people to be housed in the space. Buyers need this information – give it to them.
4. General condition – what can they expect to see at the property? Does it need repair?

Appeal to the emotions

Make your words come alive and

paint a picture of the property you're advertising.

Action

Make sure your contact details are clear to buyers. You must prompt immediate action in your ad.

Doug Malouf is an internationally known speaker and author on sales, management and communication. He has more than 30 years experience as a professional trainer and is the CEO of DTS International. He can be contacted at doug@dtssydney.com.

You can get more information on improving your sales performance through Doug's latest book The Real Estate Sales Survival Kit 3, which is available from the REINSW Store. For more information, call (02) 9264 2343 or purchase online by visiting www.reinsw.com.au and clicking on 'Products'.



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Agent renovation

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BY KYLIE FOUNTAIN

HERE ARE 10 EASY WAYS TO CHANGE YOUR BODY FROM RENOVATOR'S DREAM TO HOT PROPERTY.

If the body were the temple for the soul, what would the property value of your temple be? Most of us would probably admit that there are a few cracks in the ceiling and cobwebs under the rafters.

Leaving emotion aside and looking objectively at yourself and your life, what do you see?

- Are you in the best shape you can be both physically and mentally?
- If you were a house, would people snap you up as a place they'd like to live? Are you a prime piece of real estate or a manky hovel?

You, as agent, are the 'front door' for both vendor and buyer. If you are healthy, calm and happy, that sends a message to your clients that "this is a person I can trust – this is someone who takes the time to look after themselves, therefore they may show that same commitment to me and my needs."

- 1) Good health is from the inside out. No amount of designer clothing or makeup is going to cover the errors of an unhealthy diet. Healthy, glowing skin, bright eyes and shiny hair are the natural benefits of eating well.
- 2) Eat foods as close to the natural source as possible. Try to eat foods that are in their natural state or only one step along the processing line.
- 3) Eat colours, not numbers.
 - Eat as many coloured foods as possible.
 - Aim for 5 different coloured foods on your plate per meal.



- Look at the labels – try not to eat foods containing a lot of numbers.
- 4) Eat fruits and vegetables in season.
 - In addition to supplying essential nutrients and fibre, fruits and vegetables have either cooling or heating properties for the body. Tropical summer fruits are cooling, whereas winter vegies, legumes and pulses are warming during cold winter months.
 - If you are unsure about which fruit or vegies are in season, just look at the prices in the supermarket. Cheaper fruit and vegies are those in season.
 - 5) Drink plenty of water. We all know this one, yet how easy is it to become caught up in the bustle of the day and forget to drink anything other than coffee? Fill a 2 litre bottle of water in the morning and aim to drink it all by the end of the day.
 - 6) Treat yourself. Eating good food is a pleasure, not a punishment. If you're like me – a chocoholic – aim to buy the most delectable 70-85% cocoa chocolate you can find. A couple of squares of this treat will satisfy the sweet craving as well as being good for you.
 - 7) Thoughts become words become actions.
 - Each time you think of exercise, do it. It doesn't matter how small the amount of exercise may be, it is cumulative and builds your fitness base.
 - 8) Walk to inspections rather than driving. Try parking your car a few blocks away from property inspections and walk the rest of the way. In addition to arriving with a healthy glow, it gives you a chance to check out the neighbourhood and be able to better service your clients.
 - 9) Breathe. Stop for a moment and think about where your breath is coming from. Is it in your chest? Try to bring the breath down into the base of your ribs, the diaphragm. Notice the way the tension drops from your shoulders, allowing you to feel calm.
 - 10) Take time out.
 - Exercise is fruitless if you don't take time to relax, breathe and

just be. For some people this can take the form of sitting somewhere quiet with eyes closed. For others it may be sitting on a patch of grass in the sunshine.

- Whatever it is that gives you a window of sanity each day, take the time to practise it each and every day.
- For me, those moments just before sunrise are golden times to sit, breathe and simply be grateful for the life I've been given.

TRY PARKING YOUR CAR A FEW BLOCKS AWAY FROM PROPERTY INSPECTIONS AND WALK THE REST OF THE WAY.

Kylie Fountain has wide experience and qualifications in the health and fitness industry. She is a Cert 4 Outdoor Recreation and Fitness trainer, is a certified pilates and yoga instructor and has a Diploma in Remedial Massage. She is also a snow ski instructor and professional ski patroller working both in Australia and overseas in Japan and French Polynesia.

Kylie also teaches fitness tips at the Fountain Auction Academy in Bowral.

RURAL AGENCIES ARE FACING HIGHER INCREASES TO THEIR COST OF BUSINESS THAN METRO AGENTS. RISING PETROL PRICES, DIFFICULTIES IN HIRING STAFF AND THE LINGERING EFFECTS OF AUSTRALIA'S WORST DROUGHT CONTINUE TO CUT INTO THE BOTTOM LINE PROFITS OF AGENTS IN COUNTRY AREAS.

THE *JOURNAL* SPOKE TO KEY REAL ESTATE MANAGERS TO DISCUSS THE TOP FIVE CHALLENGES FACING COUNTRY AGENTS IN NSW.

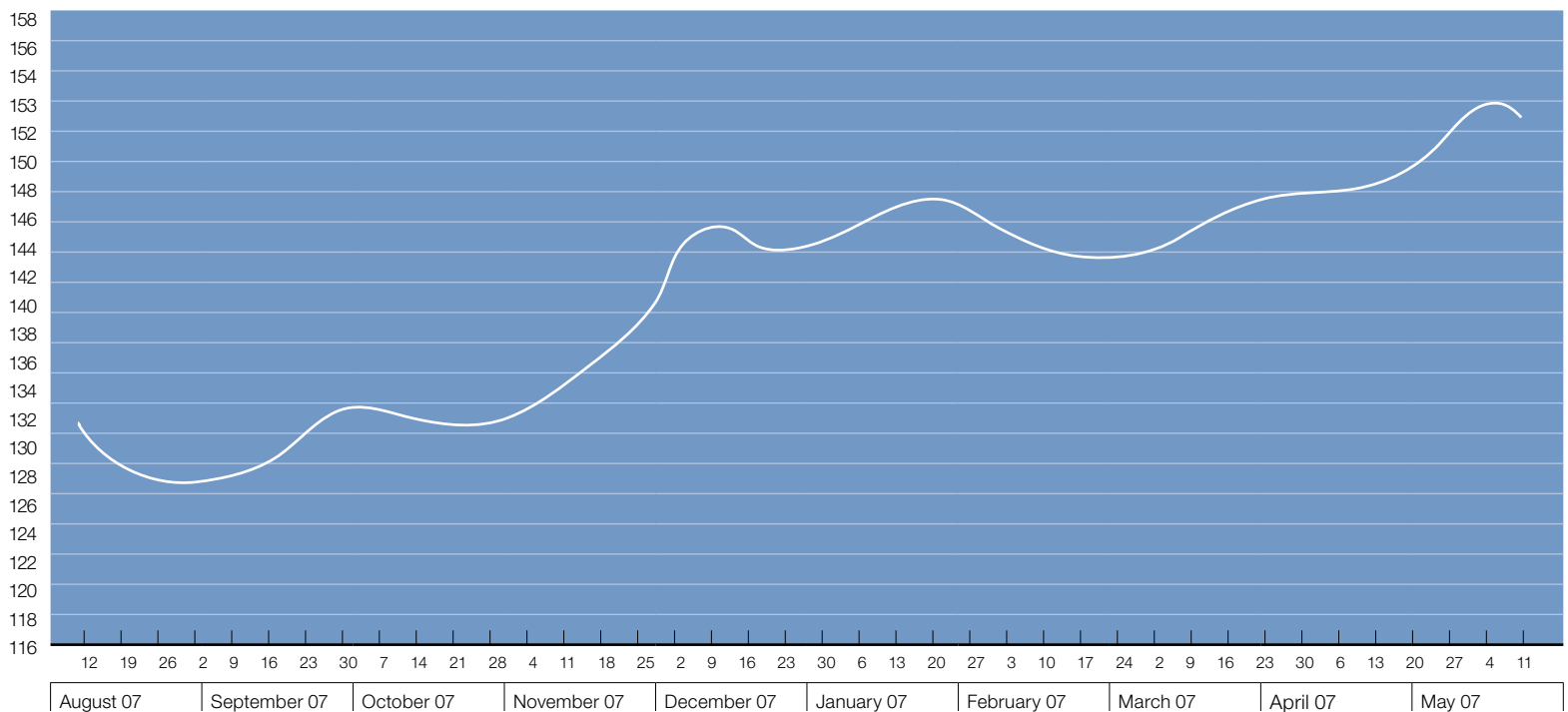


BY ROSLYN ALDERTON





Driving up **costs**



Source: Orima Research for the Australian Institute of Petroleum

"SOME RURAL AGENTS HAVE STARTED CHARGING A LISTING FEE TO VISIT REMOTE PROPERTIES IN ORDER TO HELP COVER THE FUEL COSTS."

1) Fuel prices

The rising cost of fuel is a serious challenge for rural agents, who commonly travel about 200km each way to visit a property.

"If a country agent in a major centre such as Dubbo were to drive to Trangie and get back, by the time they have finished a four-week campaign, they would actually probably lose money," said Angus Raine, CEO of the Raine & Horne group.

The problem is compounded by the difficulties in some markets, with property prices falling due to the drought and agents therefore earning less in commission.

Some rural agents have started charging a listing fee to visit remote properties in order to help cover the fuel costs.

Phil Rourke, Landmark NSW Real Estate Manager, said an additional advantage of charging a fee for the initial inspection was that it helped to determine just how serious the vendor is.

"Rural country agents can no longer afford to take on listings from vendors with unrealistic price expectations," Phil said.

"As fixed costs of doing business increase, rural country agents must change the way they are remunerated to be more in line with modern trends. No other industry works for or delivers a service without being paid for the work done."

2) Staff shortages

With unemployment in Australia at a 20-year low, most industries are experiencing difficulties in attracting good staff, but the problem is more acute in regional areas.

"Rural and regional NSW have been struggling to combat the effects of six years of drought and as the cash in the country dries up, more and more of the labour force leave the country in search of a better and more productive future," Phil said.

"Rural real estate managers must look at offering employees more than they have in the past to be competitive in the labour market. Initiatives such as flexible working hours, increased commission share, increased retainers, training and mentoring must be used to encourage and hold onto quality employees."

Property managers are in particularly short supply. Angus Raine said many property managers only stayed in the job for a few years.

"RURAL REAL ESTATE MANAGERS MUST LOOK AT OFFERING EMPLOYEES MORE THAN THEY HAVE IN THE PAST TO BE COMPETITIVE IN THE LABOUR MARKET."

"They will do two to three years then move on to the next transition," he said. "You have put in all that hard work and training and they leave. That's a big problem."

One way that Raine & Horne has been trying to address the skills shortage is by offering a 'tree change' to metropolitan agents.

"Our guy in commercial property in Wagga Wagga used to work for our commercial office in Penrith," Angus said. "Our guy at commercial in Port Macquarie used to work in the city. These guys are 30 to 40 years old with one or two kids. It's a great lifestyle change for them and a great quality of life for their families."

3) Technology changes

Improvements in technology have both pros and cons for country agents. Whilst the internet has enabled agents to seek buyers from vast areas, there is still a big problem with reliable and fast connection speeds for broadband.

"The problem we have in the country is still line speed, which limits the amount of new technology that we can use," said Phil Rourke. "Virtual tours are difficult to produce in most country locations."

Many country agents are also untrained and unfamiliar with new technologies. Older agents in particular are used to selling property based on their relationship with the community and their ability to communicate face to face, rather

than through websites aimed at city investors.

"The technology available in marketing rural properties is largely underused by most country agents, with only a few agents advising vendor clients to produce soil samples, mapping, GPS-produced farming plans, soil structure analysis, soil fertility and compaction rates," Phil said.

On the plus side, technology has enabled country agents to improve the administration of their business, according to Dave Hopkins, LJ Hooker Franchise Representative for the group's rural portfolio.

"An integrated computer system that can database clients, produce standard letters, send HTML emails of brochures and stock lists to clients or potential customers has been by far and away the biggest help to regional offices," he said.

4) Water trading

While some country areas have received good rains over the past 12

"THE PROBLEM WE HAVE IN THE COUNTRY IS STILL LINE SPEED, WHICH LIMITS THE AMOUNT OF NEW TECHNOLOGY THAT WE CAN USE."

months, it followed the worst drought in Australia's history, which continues to have repercussions in country towns where the local economies were badly hit. Cash from typical family farms is likely to be tight for some time to come.

In order to make some extra money to help pay off debts, farmers have been selling their water allocations and the trade in water licences has become big business. A property's water can sometimes be worth more than the land.

"With a lack of water allocation, the water market has been tight in recent times," Phil Rourke said. "The water sharing plans being implemented by the government are still to be determined and are largely

not understood by the majority of land owners."

More and more specialist water brokers have emerged in recent years. Unlike real estate agents, the legal requirements for water brokers are less strict, leading to some concerns about the consumer protections available.

"BEING THE SOUNDING BOARD FOR THESE PEOPLE CAN WEIGH HEAVILY ON THE AGENTS."

5) Support / mental health

Real estate can be a stressful profession even at the best of times. Rural agents find an additional challenge as they often find themselves becoming 'counsellors' to their vendors.

"Country agents are usually an integral part of a small local

community," said Dave Hopkins. "They have to take on the problems of the community as a whole and counsel those that are making decisions on moving from the area or selling their property or business – and of course in more recent times these may not be the best of circumstances.

"Being the sounding board for these people can weigh heavily on the agents."

The isolation of some areas can make it difficult for agents to find support, especially when they feel they are unable to discuss their problems with the other agents in town because they are competitors.

"The importance of a network to these agents has never been more apparent and within the LJ Hooker group, this network of like-minded people sharing their experiences can be some of the best mentoring or 'coping with stress' sessions available," Dave said. ♦

Making a difference

REINSW provides practical support to agents in country areas and is seeking ways to address some of the challenges they face.

1) Fuel prices

While REINSW cannot control the price of fuel, the Rural Chapter is looking at options that could help to assist members with this issue. Stay tuned for more details.

2) Staff shortages

REINSW can assist in training new staff through its traineeship program for new starters to the industry. Other training courses such as Certificate of Registration, CPD and skills courses are available online through eLearning, which can save time and travel costs.

Membership of REINSW can also assist in retaining staff by providing support in the form of a Practice Support Helpline, forums, networking and mentoring opportunities.

The Young Agents Chapter, to be launched later this month, will also

provide further support and inspiration for under 35's in country areas.

3) Technology changes

At a federal level, the Real Estate Institute of Australia is part of a lobbying effort to the Federal Government to ensure better access to broadband for rural and regional areas.

REINSW members are also assisted by the REINSW website, which helps to direct consumers to members across the state through the 'Find a member agent' search on the homepage: www.reinsw.com.au.

4) Water trading

REINSW has been in discussions with the NSW Government to seek better consumer protections for water trading. REINSW believes that water trading should be a new licence category for real estate or else it could be attached to the stock and station category, to help prevent rogue traders in this emerging industry.

REINSW MEMBERS HAVE THE OPPORTUNITY TO MEET WITH OTHER AGENTS IN THEIR AREA OF PRACTICE AT FORUMS ACROSS THE STATE.

PHIL ROURKE



5) Support / mental health

REINSW members have the opportunity to meet with other agents in their area of practice (residential sales, property management, auctioneering etc) at forums across the state throughout the year. These forums are only a few hours long and are informal discussions that enable agents to ask questions or raise concerns.

The Rural Chapter is also investigating more information about mental health support, in order to provide members

with a list of numbers and websites they can have readily at hand if they or one of their clients requires counselling or advice about depression, suicide or related issues.

To find out more about REINSW membership, forums or chapters, call (02) 9264 2343 or email membership@reinsw.com.au.

The REINSW Boardroom is available to members of the Rural Chapter if they require a meeting room in Sydney. Please call first to arrange a booking.

The agent's perspective



BY BOB JOHNSTON

THE ONLY OTHER THINGS REQUIRED ARE A 'GIFT OF THE GAB', HONESTY, COMMITMENT AND THE STRONG DESIRE TO ACHIEVE RESULTS IN THE FACE OF DIVERSITY.

BOB JOHNSTON FROM LANDMARK TAMWORTH PROVIDES HIS OWN VIEWS ON THE CHALLENGES FOR THE INDUSTRY, BASED ON HIS FIRSTHAND EXPERIENCE IN HIS AGENCY.

1) Costs

The costs incurred by rural agents include:

- The financial outlay in first providing a reliable 4x4 vehicle that is large enough to comfortably transport prospective purchasers around any terrain. This could cost up to \$80,000.
- The cost of fuel in country areas – diesel cost \$1.78 cents per litre at the time of writing this article.
- Servicing the vehicle, which is a necessity considering inspections involve creek crossings and rock climbing. Problems include seeds in radiators, tyres being cut open etc.
- Rural agents are often out of the office and it is not unusual for mobile phone bills to run into \$500 plus per month.

All of this and more with no more guarantee of achieving a sale – and no sale, no commission. Our industry, now more than ever, needs to consider and implement a fee for

service method of remuneration to keep the rural agent on the road.

2) Difficulties in hiring staff

Rural land salespeople are desperately hard to find and when one looks at the requirements it is not hard to work out why.

- Must be financially strong enough to provide the tools of trade eg 4x4 vehicle.
 - Must be able to financially sustain limited remuneration whilst achieving the first sale, which may take up to four months if you're lucky. Most of us are family men and the cost of living with no income can be crippling.
 - Must be a registered Stock and Station Agent.
 - Must have experience in livestock management, current farming practices, development policies with councils, subdivision laws, knowledge of local crops, weeds, spraying methods, chemical types and costs, weather forecasting, underground water, surface water and livestock weights.
 - A strong knowledge of the finance world and the insurance world are both very advantageous.
- On top of this rural agents need to have a strong grasp of conveyancing and contract law.

Once you have the above knowledge, make sure you are an experienced off-road driver because OH&S requires ultimate safety for your passengers.

The only other things required are a 'gift of the gab', honesty, commitment and the strong desire to achieve results in the face of diversity.

3) Technology changes

Almost everything we do is by computer nowadays.

Firstly to obtain the proper listing forms, one logs into REINSW's

eForms and prints them off. Once all the details of the property are noted it must then be transferred to computer, which allows us to write the advertisements for the press and complete the ad layout, then email to various newspapers, complete another section and email to the central office so the internet sites can be updated.

Images from digital cameras and video cameras are also downloaded to internet sites to enhance marketing. Vendor reports and client reports also need to be generated.

My only concern is that whilst we are forced to keep our head in front of the colour monitor, I hope we do not lose the art of verbal communication.

DROUGHT RECOVERY REMAINS AN IMPORTANT ISSUE FOR AGENTS IN COUNTRY AREAS





THE MORE
EFFICIENTLY WE
CAN USE THE
WATER, THE MORE
EFFECTIVELY
WE CAN COMBAT
DROUGHT AND IN
TURN RECOVER
FROM IT.

4) Drought recovery

Drought recovery or drought protection is certainly the talk both at government level and in the field. Many farmers have now become receptive to new methods of farming that are proven to provide greater soil and moisture retention.

Irrigation is a hot topic, not only in broadacre farming areas but in the lucerne growing areas of the state. Companies are continually trying to invent new ways to get the water into the ground and into the crop by reducing evaporation. Many irrigation systems cause the loss of many mega litres through evaporation. The more efficiently we can use the water, the more effectively we can combat drought and in turn recover from it.

Within many areas, water is being traded to farmers who are running bigger operations and require more water. In some cases investors are buying water licences and trading them, having no use for the water and capitalising on the farmer who needs the water to earn a living.

5) Support/mental health issues

As if it is not tough enough already just being an agent in country areas, we also have to attend sales conventions every so often and listen to our peers talking constantly of

the successful agents and their high achievements – of course with the best of motivational intentions.

Motivation at the coal face is hard to achieve for agents having to sell properties where the owners have been doing it tough for many years and are on the brink of destruction.

The offices where these salespeople work are often one-man shows or at best two to three men and a secretary. Hard to get much motivation from such a small team in the middle of a dry summer, when the stockman is battling trying to offer support to his clients who are in turn trying to keep positive and keep all of their livestock from dying.

The agents give farmers hope but who gives support to the agents?

I believe it must come from our national companies and area managers who should visit these ‘out of the way’ branches on a regular basis. Regular contact, understanding and much marketing assistance would be a good way to support these isolated agents.

Last but not least, it is vital to take regular breaks from the battlefield in hard times to help to keep the rural salesperson at the top of his or her job. ♦

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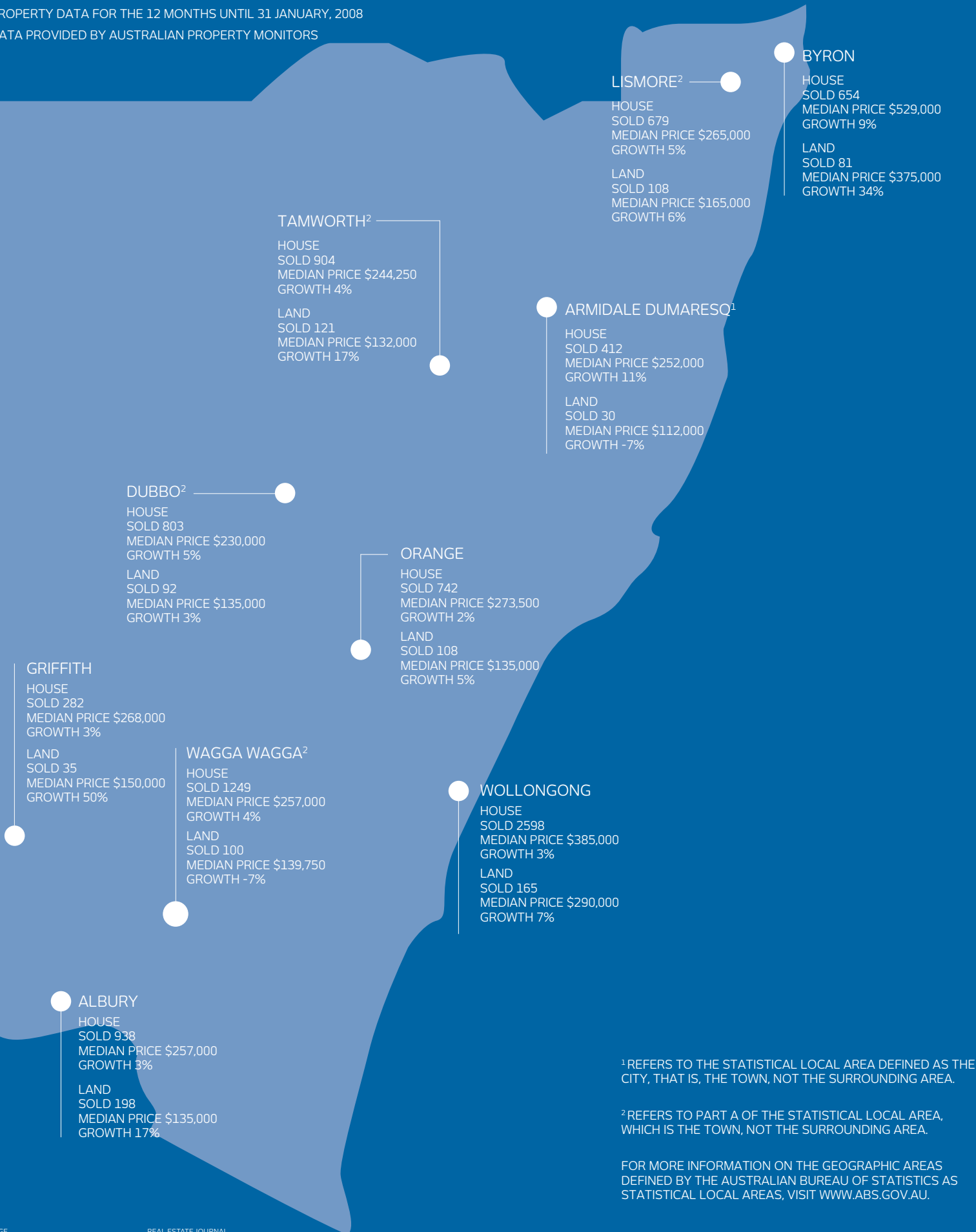


Contact your local representative
email teri@oslsoftware.com
phone Teri 0410 928 877

Snapshot of property prices in regional NSW

PROPERTY DATA FOR THE 12 MONTHS UNTIL 31 JANUARY, 2008

DATA PROVIDED BY AUSTRALIAN PROPERTY MONITORS



¹ REFERS TO THE STATISTICAL LOCAL AREA DEFINED AS THE CITY, THAT IS, THE TOWN, NOT THE SURROUNDING AREA.

² REFERS TO PART A OF THE STATISTICAL LOCAL AREA, WHICH IS THE TOWN, NOT THE SURROUNDING AREA.

FOR MORE INFORMATION ON THE GEOGRAPHIC AREAS DEFINED BY THE AUSTRALIAN BUREAU OF STATISTICS AS STATISTICAL LOCAL AREAS, VISIT WWW.ABS.GOV.AU.

What is the property market like in your area?



Noel Daley
Noel Daley Real Estate
Inverell

Up until recently, before we had these interest rate increases, we were very good, actually. The town itself is still going quite well, but the demand has steadied a little bit. Prices certainly haven't gone up. They are still holding fairly well.

We really have a bit of a mixed bag with buyers. We're also attracting people from the city and coastal areas.



Sue Newbigging
Director / Sales Consultant
Hore & Davies Real Estate
Wagga Wagga

I would say our market is steady, it certainly hasn't gone down. The buyers are very cautious and very educated, so it's very important not to have overpriced properties on the market for sale otherwise they will just sit.

We have had an influx of investors from Queensland, Victoria and Sydney as many of our investment properties will bring a return of 6 to 7%.



Daryl Sedgwick
Ron Loiteron Real Estate Agents
Cootamundra

Our market has slowed within the last 12 months, demand has slowed and in some cases prices have come back a little bit.

On the positive side, we find that we are very attractive to retirees from the city looking for that slower pace. We receive a lot of interest from metropolitan areas and from Canberra - we're only an hour and a half from Canberra.



Rhonda Wark
Earth Works Real Estate
Coonabarabran

We have had no sign of any downturn in price, although there's probably not as much inquiry as there was two or three years ago. Things are still quite strong. We're just a good little country town.

For purchasers, we have a real mix. We have got people from all over Australia looking at investment property. Some people who have grown up in Coonabarabran have moved away and moved back here with their children. There are also people retiring, coming off the farm to live in the town.



When it comes to selling your property, forget the tricks. Make sure you advertise in Domain. In addition to a huge range of online listings, Domain offers expert advice, market updates, maps, photos and videos, so you can be sure of attracting more than your fair share of serious buyers.

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Chapter news

CHAPTER CHAIRPEOPLE

Auctioneers: Kate Lumby
Business Agents: Position vacant
Buyers Agents: Lisa Bradley
Commercial: Joshua Charles
Holiday and Short Term Rentals: Justin Butterworth
Strata Management: Gary Adamson
Valuers: Colin Rooke
Property Management: Lyn Kimball
Residential Sales: Kathryn Hall
Rural: Phil Rourke

DIVISIONAL CHAIRPEOPLE

Albury: Vacant
Central Coast: Andrew McDonald
Central West: Vacant
City of Sydney: David Skow
Coffs Harbour: John Sercombe
East: Alister Barrett
Illawarra: Leigh Stewart
Inner West: Kyp Kosmatos
Mid North Coast: Steven Newman
Murrumbidgee: Vacant
Nepean, Hawkesbury, Blue Mountains: Greg Taylor
Newcastle and Hunter: Belinda Flekenstein
New England: Robert Gilbert
North: Vacant
Northern Beaches: Vacant
North West: Vacant
Northern Rivers: Carl Petersen
Orana: Rod Crowfoot
Parramatta & Hills: Kate Lumby
Riverina & South West Slopes: Vacant
South Coast: Vacant
South East: Vacant
South West: Gary Armishaw
St George Sutherland Shire: Sue Kenaly

RURAL AGENTS: Discuss your concerns

Country agents are welcome to come along for an informal workshop in Orange to discuss the challenges and issues of rural agency that they would like to see improved.

"We are inviting members and non-members to discuss the issues facing them and to discuss what the Real Estate Institute can do to help them," said Phil Rourke, Chair of the Rural Chapter.

"From that meeting, I am hoping to put some things in place that will mean that the Rural Chapter really does start to address the problems, which in turn will encourage more people to become members."

Date: Wednesday 18 June 2008
Time: 3pm – 4.30pm
Venue: Orange Ex Services Club

STRATA MANAGEMENT: A busy agenda

At the top of the priority list for the Strata Management Chapter Committee is a proposal to abolish GST for strata plans for residential units.

It's one of many practical issues on the agenda for the committee, which is chaired by Gary Adamson from Adamson's - The Professionals.

The committee is also examining ways of improving exclusive management agreements, for example, by looking at fixed increases instead of CPI increases for service fees, charges and expenses.

The schedule of fees for hourly rates is also under the microscope, with the committee looking at whether it is possible to have a sliding scale of rates for hours outside 9am to 5pm.

If you would like to find out more the Strata Management Chapter, please contact Tracey Lucas on (02) 9264 2343 or email tlucas@reinsw.com.au.

EXCLUSIVE LAUNCH PARTY INVITATION

Just listed

YOUNG AGENTS
GET REAL

It's here – a network by young agents, for young agents

The Real Estate Institute of New South Wales invites you to attend the official launch party of the Young Agents Chapter – a network for agents under 35 or in the industry for less than three years.

If you are serious about your career, you owe it to yourself to be at this special industry event.

For more details, check out our Facebook group REINSW Young Agents

To RSVP, visit www.reinsw.com.au/events or call (02) 9264 2343.

The Young Agents Chapter Committee look forward to seeing you there.

Venue Establishment Room III, Level 3, 252 George Street, Sydney

Date Thursday, 26 June 2008

Time 7pm to 10pm

Cost \$45 REINSW member (including GST)

\$55 Non-members (including GST)
Includes 3 hours of complimentary beer, wine and champagne and light fingerfood

Dress Work gear / smart casual

Judging now on!

It is close to that time of year again when we recognise and reward those high achievers in our profession with the 2008 REINSW Awards for Excellence program.

Judging is now underway for all 24 categories and REINSW would like to extend our thanks to all those members who have submitted entries, which are of a very high standard.

All finalists will be contacted and their names will be published in the August edition of the *Journal*.

Winners will be announced at the REINSW Annual Awards Dinner to be held on Saturday, 18 October 2008 at Sydney Convention & Exhibition Centre

Upcoming forums

Tuesday, 17 June Auctioneers forum

Time: 2pm - 4pm
Venue: Cooley Auctions Double Bay Auction Centre Level 1, 20-26 Cross Street Double Bay
Speakers: Kate Lumby, Julie Feller, Damien Cooley and Michael McCaffery

Tuesday, 26 June Valuers forum

Time: 3pm – 4pm
Venue: REINSW Training Centre 74-78 Wentworth Avenue, Sydney
Speakers: Giovanni Cirillo and Sam Kremer

Thursday, 24 July Property management forum

Time: 3pm - 5pm
Venue: REINSW Training Centre, Level 2 74-78 Wentworth Avenue Sydney
Speakers: Miles Felstead and Suzie Reid

PROPERTY MANAGEMENT:

Country challenges



BY LYN KIMBALL

MANY PROPERTY MANAGERS IN METROPOLITAN AGENCIES WOULD NOT REALISE HOW DIFFERENT THE INDUSTRY CAN BE FOR THEIR COUNTRY COUNTERPARTS. WE ARE ALL GOVERNED BY THE SAME LEGISLATION, HOWEVER THERE ARE MANY OTHER DEFINING FACTORS EXPERIENCED BY COUNTRY PROPERTY MANAGERS THAT REQUIRE DIFFERENT PROCESSES AND FOCUS TO ACHIEVE THE BEST OUTCOMES FOR THEIR LANDLORDS.

Rural real estate encompasses small country villages, towns and larger regional centres. Some of the issues raised at a recent REINSW Property Management Forum in Wagga Wagga included:

- working in the border town of Albury/Wodonga, where properties are managed on both sides of the border – the property managers require dual licensing and a thorough knowledge of both NSW and Victorian legislation. This also applies to rural agencies in other border towns such as Tweed Heads, Mildura, and Swan Hill.
- what to do with water tanks, which are far more prevalent in rural areas. Where does the responsibility lie with re-filling the tanks in a time of drought, where it may not have been considered as a special condition, and with water being an essential service?
- how to handle the situation of farm houses that share electricity with the main farmhouse, occupied by the owner or their manager.
- a situation where two adjacent farms owned by the one person supplied water from one bore. When the property with the bore was sold, and became vacant, the bore pump was switched off, leaving the rented property without a water supply for stock and gardens!

TENANTS WHO LIVE IN FARM HOUSES HAVE DIFFERENT ISSUES TO TENANTS IN METROPOLITAN PROPERTIES



HAVING A CHOICE OF TRADESPEOPLE FOR REPAIRS AND MAINTENANCE IS NOT GENERALLY AN OPTION IN SMALLER TOWNS.

Here are some other common challenges faced by country property managers.

Tradespeople

Having a choice of tradespeople for repairs and maintenance is not generally an option in smaller towns, and with the skilled labour shortage, it is becoming more difficult to find a tradesperson at all.

Vacant properties

I was recently speaking with a property manager from Hay (seven hours west of Sydney). Their current vacancy rate is 25%. Compared with Sydney's current rental housing crisis, this is a huge problem at the opposite end of the scale. Many properties

have been bought by city purchasers who have not researched the market and purchased site unseen. They are not made aware of the phenomenal vacancy rate and end up with a property that will possibly remain vacant for the better part of a year. Sourcing tenants has become far more difficult due to the ongoing drought of 7+ years. Many of the young itinerant workers who would normally take up local rental properties no longer have work and don't come to the town. The drought has also caused others to leave town to gain employment, again reducing the number requiring rental properties.

Tribunal hearings

Access to Consumer, Trader and Tenancy Tribunal (CTTT) hearings in the country differs from metropolitan areas. Even in larger cities such as Wagga Wagga, it can take between two to six weeks for a scheduled hearing. There is one local Member and the other Members fly in on the day, causing a late start and then must leave by 4.20pm to catch the return flight in the afternoon. This greatly limits their ability to get

through the list of cases set down for the day (especially complicated cases), which causes adjournments and a further delay of two to 16 weeks for the re-hearing.

For smaller towns and villages, a CTTT hearing will usually involve a three way phone call between the Member, property manager and tenant. For many, this actually represents a far less intimidating option than sitting in a hearing room!

Training

For country property managers, training can be a significant challenge. Often agencies are small with only one or two property management staff. When someone leaves, it is often difficult to recruit someone with property management experience and there are no local resources to adequately train the new staff member – although REINSW offers online courses for property managers who cannot come to the classroom.

It becomes a system of 'trial and error', and in this business such an approach is a very risky and expensive method of training.

There is a desperate shortage of face to face training in our industry, not only specific property management training, but CPD training as well. When training does occasionally come to a regional centre, there is still considerable travel involved for staff in satellite towns and villages (up to and in excess of two to three hours). Where they are the only staff member, training is even more unattainable.

eLearning and CD-based programs are more often than not the only option. For country agents, the REINSW Practice Support Helpline and website are very important tools in gaining valuable assistance and support when problems arise. The REI's commitment to providing rural Property Management Forums will also assist in bringing valuable information to some rural areas.

Income and pay

Median rental prices in many country centres are considerably lower. This in turn creates challenges such as lower rent roll income –

reflecting lower rates of pay for property management staff at or just above award rates.

There are far less owners taking up Landlord Protection Insurance, as rental income vs premium cost does not appear equitable. There is still the belief that a good property manager is insurance enough – yet the percentage of defaulting and errant tenants doesn't differ greatly to metropolitan tenants and all property managers know how easy it is to exceed a bond in arrears, damage, cleaning, water etc.

Positives

A big positive in rural property management is the reduced distance and time required to attend property inspections. Unless the property is a farm house or located outside the town or regional centre, the country property manager spends far less time in the car with heavy traffic and red lights. Parking at the property is generally easy, often right out the front, and there aren't traffic meters or paid parking. Travel

FOR SMALLER TOWNS AND VILLAGES, A CTTT HEARING WILL USUALLY INVOLVE A THREE WAY PHONE CALL.

to and from work will generally take between two and 10 minutes – which is significantly less than for many metropolitan agents.

In smaller towns, the property manager will most likely know many of their local owners and possibly the tenants too. This can have a positive impact, but can also cause problems – particularly when the landlord and tenant know each other as well.

Due to the complexity of the role of a property manager and the skill set required, staffing and skills-based training will always be the major challenges for rural agencies.

However, whether you work in a rural or metropolitan agency, you have the opportunity to work in the vibrant, diverse and rewarding industry of property management – presenting different challenges, but ultimately working toward the same goal.

Lyn Kimball is a senior property manager at Fitzpatrick's Real Estate in Wagga Wagga. She is also the Chair of the REINSW Property Management Chapter.

If you would like to join the Chapter, please contact REINSW membership on (02) 9264 2343 or email membership@reinsw.com.au.

To contact the REINSW Practice Support Helpline, call (02) 9264 2343 or email helpline@reinsw.com.au.

To find out more about eLearning and training courses for property managers, call REINSW Education & Training on (02) 9211 8707, email training@reinsw.com.au or visit www.reinsw.com.au. ♦

PROPERTY MANAGERS!

Are you confused about the impact of the Financial Services Reform on how you manage landlord insurance for your clients?

REINSW and Aon are launching
"Your guide to being an Aon Distributor"

We help you unlock the complexities by providing simple step by step guidelines on what you need to do to conform with FSR requirements when arranging your client's insurance. We've also included your frequently asked questions and the pro-forma documentation you need to provide to your clients.

Aon Distributors, contact Michelle Palumbo on 02 9683 0921 or michelle.palumbo@aon.com.au for your guide. To find out more about becoming an Aon Distributor or to view an online copy of the guide, visit our website.

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A mobile population

PEOPLE ARE MOVING ABOUT MORE FREQUENTLY AND RAPIDLY THESE DAYS. ADVANCES IN COMMUNICATIONS AND TRANSPORT HAVE MADE THE WORLD MUCH MORE INTERCONNECTED. MUCH OF THE ECONOMY RELIES UPON PEOPLE WHO MOVE BETWEEN DIFFERENT CITIES, TOWNS, STATES AND COUNTRIES TO ACHIEVE SHORT TERM CONTRACTS AND PROJECTS.

The REINSW Holiday and Short Term Rentals Chapter is at the forefront of interaction with this mobile population, who usually require furnished accommodation for periods varying from a few weeks up to about three months.

“The motivations of the mobile population are varied and include business and work, education, sabbaticals, holidays and visiting friends and families,” said Justin Butterworth, Chair of the Chapter.

“Learning to understand this population is critical as the world shrinks.”

While short term rentals cater to these people when they are looking to rent, there are also opportunities for agents looking to manage these peoples’ properties when they are travelling.

Expatriat Australians are a good example of property owners who may be interested in renting out their properties short-term. There are now over one million Australians living overseas, many of whom return to Australia regularly. Australians now move even more around the world, beyond the traditional expat havens

EXPATRIAT AUSTRALIANS ARE A GOOD EXAMPLE OF PROPERTY OWNERS WHO MAY BE INTERESTED IN RENTING OUT THEIR PROPERTIES SHORT-TERM.

of Europe and North America. The growth in business in East and South Asia as well as Dubai attracts many Australians. Many of these expats look to rent out their properties while they are overseas, sometimes for short stints and sometimes for longer periods of time.

Australians also move much more frequently around the country, with many keeping their house as an investment property until they return.

These present great opportunities for agents to manage these short-term rentals.

These properties also represent an important source of housing for the mobile population. With short term and holiday rentals currently under threat in some areas, REINSW is working hard to ensure that this type of accommodation remains into the future.

If you would like to join the Holiday and Short Term Rentals Chapter, call REINSW on (02) 9264 2343 or email membership@reinsw.com.au.



Domestic tourism strong

A new report predicts that domestic tourism will remain strong this year, while growth in international visitors will slow due to the difficult global economic environment.

“The domestic travel market is expected to hold up relatively well, given the challenge of a moderation in growth in the domestic economy,” the ANZ report said.

“In the year ended December 2007, domestic visitor nights in hotels, motels, bed & breakfast and rented houses or apartments were up 9.2% compared with the corresponding period of the previous year.”

The outlook is particularly strong in NSW.

“The tourist accommodation market in New South Wales is experiencing one of the strongest gains in room and occupancy rates with the outlook staying positive, especially as Sydney remains a key destination,” the report said.

“THE TOURIST ACCOMMODATION MARKET IN NEW SOUTH WALES IS EXPERIENCING ONE OF THE STRONGEST GAINS IN ROOM AND OCCUPANCY RATES.”

This is good news for holiday and short-term rentals, especially in areas dependant upon the tourism industry, such as coastal towns and the Blue Mountains.

However growth in international visitors is forecast to slow to less than 1% this year compared to 2.2% growth last year, due to reduced discretionary spending in key tourist-generating markets such as the United Kingdom and United States.

Length of stay:

1 night Overnight visitors	2-4 nights Short holiday visit	5-14 nights Longer holiday rental	1 month Short term rental (eg between tenancies)	3 months Contract workers	6 months Most popular lease term eg students or share houses	12 months Second most popular term eg renting families	2 years Long term renters	5 years Long term renters / owner occupiers
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Better buy



BY CHRIS GRAY

In my 14 years as a professional property investor, I've found that trust is the main issue that buyers and sellers have with agents. As agents have a statutory obligation to represent the best interests of the vendor, buyers may be reluctant to trust an agent, at least initially.

I've also seen those agents that focus on building relationships and trust are those that get clients over the line more often – even in a very difficult market. They value buyers just as much as sellers, as they know that everyone who is buying is often also selling.

So how can agents build trust with buyers and ultimately positive word of mouth? In my experience, it's by actively working on education, honesty and building alliances.

Fact sheets

By educating your target market, you're establishing yourself and your agency as an expert in the industry. It often starts from the first time you meet them at an open house. The better agents often don't just hand buyers a flyer and ask their name; they introduce themselves first, welcome them in and then give them some fact sheets backing up the flyer.

I can't stress enough the power of fact sheets when marketing a property. As an investor, I'm often surprised by the number of agents that don't provide these and, in fact, have no idea how much rent properties could achieve, especially in areas filled with investors.

I find the better agents have simple fact sheets of other similar properties

sold in the area, which backs up their price expectations, as well as a letter from their property management division with a rental expectation. The sales letter will show off your professionalism and local expertise and the rental letter will do the same as well as give you an 'internal' referral, which will no doubt come back to you when a landlord of theirs decides to sell.

WHEN AGENTS ARE HONEST ABOUT A PROPERTY'S FLAWS, THEY'RE BUILDING EMPATHY.

Go one step further and extend your fact sheet into a simple checklist for buyers and sellers. It's the little things you give away for free that are valued the highest by those who receive them. If a potential seller sees how well you treat and educate buyers, they can anticipate how many more buyers you might attract if you sold their property.

From there, I find the better agents offer to email buyers details of other properties and a newsletter with further information.

You never know who you're talking to. I look for properties on a Saturday morning just like any other buyer, the difference is that I might buy 50+ properties in the coming year, whereas others might be buying just one. While all potential buyers are important, until you engage in a conversation you may find you're

spending too much time with the window shoppers and not enough on the genuine buyers.

Be honest about a property's flaws

When I was looking at a potential investment property in Sydney recently – a big house on a busy road in a prestigious suburb – the agent swore to me that the pub across the road wouldn't provide noise or parking issues for tenants. I didn't believe him and left.

I asked a second agent about the same property, and he admitted that noise and parking would be an issue, but that buying a big house on a busy road was an economical way to get into a prestigious suburb that you may not otherwise be able to afford. The second agent gave me a different perspective on the property and showed me he knew about investing. I didn't buy the house, but I did build an even better relationship with the second agent.

When agents are honest about a property's flaws, they're building empathy – and ultimately trust – with prospective clients. As an investor, these things make a world of difference to me.

Build alliances with like-minded professionals

Mortgage brokers, builders, valuers, architects and lawyers are invaluable alliances for real estate agents. By building alliances, you're building a strong referral network that can continue for many years. Within this kind of network, referrals are easy to give. The first thing agents should be asking buyers, for instance, is

THE BETTER AGENTS HAVE SIMPLE FACT SHEETS OF OTHER SIMILAR PROPERTIES SOLD IN THE AREA, WHICH BACKS UP THEIR PRICE EXPECTATIONS.

whether they are approved for finance. If the answer is no, this is a perfect opportunity for agents to build a strong rapport with a broker. Referrals like this come back to agents in numerous ways – you never know who you are talking to.

For instance, I often ask good agents and valuers onto the MyHome TV show to help present a segment. I choose the professionals that always show me good service. In return, the exposure they get from the show is nationwide. My relationship with these agents has moved to a higher level and we now do more reciprocal business together, which helps both of us.

Think long term

It can be a challenge to think long term when you've just started out in a business – cash flow is tight and every sale makes a difference. It takes a while for that referral process to happen and often there seems no light at the end of the tunnel. The key to success that many entrepreneurs talk about is the ability to hang on for a few seconds longer while your competitors around you drop off. Sticking to your high standards may risk you losing some business in the short term but will gain you more business in the long term.

Chris Gray is the Property Expert of Channel 9's MyHome TV, and author of Go For Your Life: How to Turn Your Weekdays into Weekends Through Property Investing. ♦

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This is quite a saving and is another advantage of doing your courses via eLearning.

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Country Agents Forum



JIM YOUNG AND BILL MARSHALL AT LAST YEAR'S RURAL CPD DAY IN ORANGE

RURAL AGENTS FACE DIFFERENT CHALLENGES TO THEIR METROPOLITAN COUNTERPARTS, SO WHY SHOULD THEY ALL DO THE SAME CONTINUING PROFESSIONAL DEVELOPMENT (CPD) TRAINING?

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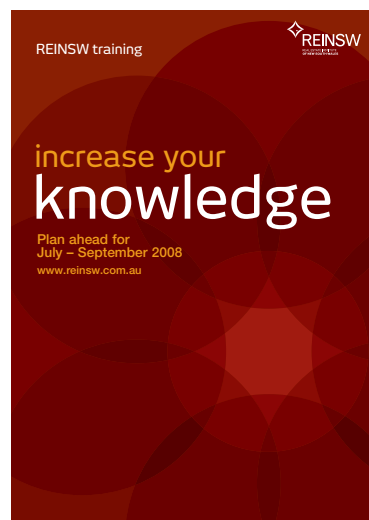
- Foolproof rural agreements & eForms;
- Compliance-proofing your office;
- Supervision guidelines – what you should know; and
- Auctions.

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Course Schedule

Find out what courses are scheduled over the next three months by checking out the Course Schedule that was enclosed with this month's edition of the *Journal*.

The Course Schedule includes times and places for CPD training, skills workshops, licensing courses and more.

Alternatively, you can find out all the latest course details by visiting www.reinsw.com.au/training. ♦

Adaptable auctioneers



BY BOB JURY

AUCTIONEERS WORKING IN RURAL AREAS ARE OFTEN CALLED UPON TO CONDUCT A VAST ARRAY OF AUCTIONS, INCLUDING RESIDENTIAL PROPERTY, INDUSTRIAL, COMMERCIAL, RETAIL, BROAD ACRE PROPERTY, LIVESTOCK OF ALL VARIETIES AND CLEARING SALES – A RANGE THAT A METROPOLITAN AUCTIONEER MAY NEVER HAVE THE OPPORTUNITY TO EXPERIENCE IN A LIFETIME OF AUCTIONEERING!

Let's for a moment look at the different auctioneering activities faced by rural auctioneers.

Residential properties

The auctioning of residential properties in rural centres can be likened to residential auctioning in Sydney metropolitan areas in so much as the same attributes can apply. Being a locally-based auctioneer in this form of selling has an advantage, because you can build up a trusted reputation that will help to put both vendors and purchasers at ease.

When offering real estate, one has to take into account the psychology of auctions from both a vendor's and purchaser's point of view. One must remember that vendors go to auction to maximise their price and purchasers come along to try and get a good deal. So a lot more time, effort and expertise must be employed by the auctioneer to have a strategy in place to:

- (1) have buyers attend;
- (2) create an atmosphere conducive for buyers to bid; and
- (3) utilise all due skill and diligence to maximise the vendor's price.

There is often a very nervous and apprehensive vendor and a suspicious array of prospective purchasers. It is very much incumbent on the auctioneer under these circumstances to spend some time settling the crowd to try and set the scene for a successful sale.

Livestock selling

Selling of livestock by auction is an activity that takes place in most major rural centres on a weekly basis and has traditionally proved to be a great training ground for many successful auctioneers.

Over the years I have had many approaches from young stock auctioneers who wish to try to crack auctioneering in Sydney. Whilst some have succeeded, others sadly have not due to their inability to change their style of selling. The mere fact that one may have sold two million sheep and 500,000 head of cattle does not automatically translate into selling real estate successfully.

Selling livestock to professional buyers requires a vastly different approach to selling residential real estate, even if it is in a regional town. The concept of selling livestock with a maximum time frame of one minute per lot does not relate well when offering a house which often has a huge emotional attachment to it by the vendor and an emotional pull by the purchaser.

It has been my observation that most rural or predominantly stock-based auctioneers find it hard to adjust to the timing required to develop into a successful real estate auctioneer. In offering real estate, most auctioneers naturally like to dictate the pace, but one must be mindful that the speed of the proceedings is not of the essence and can often be counter-productive.

Broad acre properties

The offering of this type of property requires a different level of expertise

SELLING OF LIVESTOCK BY AUCTION HAS TRADITIONALLY PROVED TO BE A GREAT TRAINING GROUND FOR MANY SUCCESSFUL AUCTIONEERS.

to residential selling as one must have a greater level of understanding of the features and attributes that go together with the presentation of broad acre properties. I refer to things like carrying capacity, soil confirmation, topography, rainfall, aspects of cropping etc.

Clearing sales

Clearing sales are another area where up and coming auctioneers have the opportunity of learning their trade, usually with less pressure than stock or real estate auctions. Clearing sales involve selling off all plant and equipment contained on a rural property, usually after the property has been sold.

While clearing sales may be hard work (some may extend over two days) they can also be a lot of fun and are invaluable in terms of experience.

Charity auctions

It would be fair to say there would be very few rural based auctioneers that have not been called upon at some stage to conduct either a charity auction for the Country Women's Association, Rural Fire Brigade or a local football club as part of a charity fundraiser.

I have personally conducted hundreds of these, which are invaluable in terms of creating goodwill and community involvement. However the auction usually takes place towards the end of the function and the audience has usually had liberal amounts

of alcohol, so they often become unruly. It may be good experience for an up and coming auctioneer to conduct a charity auction, but I have found these do not usually allow you to properly demonstrate your expertise.

One can see from this vast array of auction types that country auctioneers must first and foremost be adaptable. While some auctioneers specialise in just one type of auction – and often do so quite successfully – the mark of a skilled auctioneer is the ability to adapt to all types of auctions.

CLEARING SALES INVOLVE SELLING OFF ALL PLANT AND EQUIPMENT CONTAINED ON A RURAL PROPERTY, USUALLY AFTER THE PROPERTY HAS BEEN SOLD.

Bob Jury is one of the most experienced auctioneers in NSW, having conducted more than 20,000 auctions in over 25 years in the profession. He is also a trainer with REINSW Education & Training.

All your auctioneering supplies – including gavels, agency agreements, A-frame signs, 'conditions' notices and bidders record cards can be purchased from the REINSW Store at special member prices. Find out more by calling REINSW on (02) 9264 2343 or visit the store online at www.reinsw.com.au.

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A better way to do business



Specialised agents

AGENTS IN COUNTRY AREAS ARE INCREASINGLY BECOMING SPECIALISED IN A PARTICULAR ASPECT OF REAL ESTATE. HERE ARE SOME REINSW MEMBERS WHO HAVE FOUND A NICHE FOR THEIR BUSINESS.



Cattle

Graham Brindle
Random Stock & Station Agents,
Barrabra

Graham has worked with cattle his whole life. More recently, he has been a real estate agent involved in rural sales, and now he has branched out to open his own stock and station business.

He hopes that his own experience in buying cattle will help give him the edge when it comes to getting good prices for his clients.

“I will go everywhere up to about 300km away,” he said. “I want to do the wheeling and dealing in paddocks, not the sale yards, to try to save the vendors some money.”

Graham said stock and station agents required specialised knowledge of abattoirs and the meat markets, and needed to be able to understand the fat scores in cattle and be up to date with market prices, including cents per kilo.



Vineyards

Mike Kearins
Raine & Horne Mudgee

Mike has been selling property in Mudgee for 26 years. In that time many of the transactions have involved vineyards in this wine-growing region located three-and-a-half hours north-west of Sydney.

"Sometimes you might sell three or four small vineyards, other years you don't sell any. It all depends on how the wine industry is going," Mike said.

In order to successfully sell a vineyard, Mike needs to have up-to-date specialised knowledge about this kind of property.

"We keep up to date with what the grape prices are selling for," he said. "You want to have strong vines, good trellises and well drained soils. Good bearing vines if you are buying producing vines."

Sometimes the property will be bought by someone wanting to set up a vineyard of their own, in which case it will take three to four

"Lately the interested parties have been the larger grape growers or wine merchants."

years from planting the vines for the grapes to be able to produce wine.

Over the past few years the wine industry has suffered from an oversupply of grapes, which has impacted on the market for vineyards in the Mudgee area.

"Not many are selling at the moment," Mike said. "A few years ago there was an influx of Sydney investors who came and planted grapes or bought country with grapes on it. In the last three or four years, that's fallen by the wayside. Lately the interested parties have been the larger grape growers or wine merchants."

Dairy farms

Tim Bale
LJ Hooker Wingham

Tim never expected to be a real estate agent. He loves the country and the land, and has specialised in agribusiness his whole life – skills which unexpectedly propelled him into selling rural properties.

"I specialise in larger properties, dairy farms and grazing properties," he said. "Because I'm a dairy farmer myself, I have extensive contacts in that dairy farm field."

Tim is a graduate of Hawkesbury Agricultural College and spent 15 years as an advisor with the NSW Department of Agriculture.

His change of career was spurred by the deregulation of the dairy industry.

"As a specialised dairy consultant I was advising people – my clients – to get out of the industry. I could see that I was advising myself out of a job," he said.

"I didn't really want to be a real estate agent as such. When LJ Hooker Wingham came onto the market to buy, my sister got all the information and said you should buy this. I said I'd give it a go. The rest is history."



In his seven years as a real estate agent, he's become so successful that he's now a member of the LJ Hooker Captain's Club and a member of the LJ Hooker Multi Million Dollar Chapter.

"I get referrals from up and down the coast," Tim said. "Other agents will tell people to ring me if they are trying to find large properties or dairy farms. Even people you would say are my competitors from outside the area would say you had better ring Tim Bale and ask him."

He said he had no regrets about joining the real estate industry. "I'm still doing what I have done since I left university, driving round in a car looking at farms – I just get paid differently now."

Water trading



Phil Graham
Deacon Real Estate, Wentworth

Phil works in a real estate office but he doesn't sell property; he specialises in trading water licences in both the permanent and temporary markets.

"There's two markets which you need to differentiate," Phil explained. "One is the temporary water market. An irrigator might apply for a licence

of 100 mega litres. He gets an allocation every year. If he doesn't want to use all of the allocation, he can sell it for that year.

"The permanent market is for irrigators buying and selling their licences permanently. If you have got a 100 mega litre licence, if you sell that to another irrigator on a permanent basis, that's it."

He said that on a day to day basis, he is mainly dealing with the temporary market, which operates in a similar way to a share market or stock exchange. The permanent market has fewer transactions – one every two or three weeks – but they are of a higher value.

"Because of the drought, there is a fair bit of financial pressure on a lot of people," Phil said. "Selling their

"It's a little bit like being a share broker. You are dealing with buyers and sellers in lots of little transactions."

permanent water licence is one way of realising some capital to pay off some debt."

Phil was a property valuer originally. The move into water licences was not a big leap, as water can sometimes be worth more than

the land in some properties. Now he focuses entirely on the water trading. He believes it would be difficult for someone to try to be both a real estate agent and a water broker at the same time.

"It tends to be something you have to be 100% focused on all the time, rather than selling a house and then selling a bit of livestock and then thinking about selling some water," he said.

Aside from the actual trading, he needs to remain up to date with the market prices and trends.

"It's a little bit like being a share broker. There's a daily spot market. You are dealing with buyers and sellers in lots of little transactions."

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Pubs and hotels

**Chris Tinning & Company,
Wagga Wagga**

Marie Tinning and her husband Chris started their business in 1976 and have since travelled the length and breadth of the state acting as brokers for pubs and hotels in rural and regional areas. Their son Nicholas now works for the business too.

Marie describes their particular specialisation as a combination of real estate and business broking.

"You have to get a licence for real estate and business agency," she said. "You need to be able to understand accounting and be able to read the profit and loss sheets for the hotels. There are legal applications that need to be done for transfers of liquor licences and you need to keep your finger on the pulse of the liquor licences laws."

At the initial listing inspection, they will examine all aspects of the business and the property, including the sales of wine, beer and spirits – which have different profit returns – as well the food sales and accommodation.

"We do a very detailed introductory report that includes everything that a valuer would require," Marie said.

She said that the business operations of pubs could be vastly different depending on the location.

"In many large centres such as Wagga Wagga, Dubbo and Albury, they are very well held. They

are comfortable businesses with management staff," she said.

"Anything that's a 'mum and dad' hotel will usually average three to four years before they will turn it over." She said families running these hotels would reach an exhaustion point. After several years working seven days a week they would sell the pub, take about three months off and then start looking to buy another hotel, "usually stepping up the standard so that they are buying a larger hotel with more staff so they can afford more time off."

"You need to be able to understand accounting and be able to read the profit and loss sheets for the hotels."

After more than three decades in the business, Marie still has a passion for country pubs and hotels.

"A country hotel is the centre where all the country people go together to meet. Farmers come there, the women hold meetings there. It's quite often the centre of the community," she said.

Project marketing

**Robert Brooks
Vintage Realty**

For the past six years Robert has been involved marketing and selling land in a resort-style development in the Hunter Valley wine district.

"I am involved in everything right from the beginning," he said. "We have involvement with the developer right from the development application, from the initial concept and sketch plans, right through to the marketing schedules, getting face to face with people, walking across a block of land, explaining the attributes and benefits of individual blocks. It could be a two to three year process from the original concept plans to walking through a client's completed home."

The development is called The Vintage and is centred around an 18 hole Greg Norman-designed Championship golf course, surrounded by parklands and countryside.

There is a residential housing estate of 482 residential lots and the developers have also received approval for 335 'resort zoning' titles. These will be built as holiday homes and holiday accommodation with the completed first stage of Grand Mercure Apartments managed by Accor hotels.

The project also has a development application



"It's a more rewarding role to have been involved in the process right from the beginning."

before Council for a five star Destination Spa together with a 15,000 seat amphitheatre.

Over half of the 482 residential lots have already been sold, with many landowners having already built. Recently a four-bedroom house at The Vintage sold for \$1.85 million.

Robert said he found project marketing to be a more satisfying role than just selling real estate.

"It's a more encompassing role, a more rewarding role to have been involved in the process right from the beginning, following it right through to fruition."



LAUREN EWING AND
BEN ROBERTSON
FROM CR EWING
& SONS IN GUNNEDAH

All in the family

By Roslyn Alderton

LAUREN EWING SOUGHT THE BRIGHT LIGHTS OF THE CITY BUT ULTIMATELY RETURNED TO HER ROOTS TO JOIN HER FAMILY'S REAL ESTATE AGENCY AT GUNNEDAH IN NORTHERN NSW.

Working for a five star hotel group in Sydney, Lauren seemed to have achieved her dreams. Coming from the small country town of Gunnedah, she had completed a marketing degree, had worked in events management and was now at the beginning of a glamorous career in the city.

Yet the countryside continued to tug at her heartstrings. At the age of 27, she decided to pack it all up, return to her home town and join the family business – and she hasn't looked back since.

"Dad's mouth nearly dropped to the floor when I told him what I wanted to do," Lauren said. "Basically I did not want to wake up in 10 years' time and regret not being home."

She had met Ben Robertson in the hospitality industry in Sydney. He followed her to Gunnedah seven months later and they are now married with two young daughters. Ben also took up a job in the Ewing family business, working as the property manager.

"Both Ben and I saw how working for big companies took up all of your time and we didn't enjoy the politics of the workplace," said Lauren, who is now 32 while Ben is 33. "We felt there had to be something better

out there than our city jobs and lives, so we went out and found it."

The Ewing family have been licensed agents in Gunnedah since 1894, and CR Ewing & Sons is one of the oldest family businesses still operating in Australia. Lauren's great great grandfather came to Australia from Scotland in the 1850s for the gold rush and ended up as the first sergeant of police in Gunnedah in 1884. It was his son who started selling property and stock in the 1890s and the business trade has been passed down through the family ever since. CR Ewing

"We felt there had to be something better out there than our city jobs and lives, so we went out and found it."

& Sons is owned and operated by brothers Don and Bob Ewing (Lauren's father and uncle). Her aunt Kerry also works in the business on the administration side.

Lauren is certain that she made the right decision by returning to her family business.

"There are big benefits to being a rural agent, particularly in a small town like Gunnedah, a place where everybody knows me and my family business really well," Lauren said.

"People know that CR Ewing & Sons has been around for a long time, that we are trustworthy and are good at what we do. This gives us greater room to concentrate on selling property and making sure we live up to our reputation."

Lauren said that the agency also gave her flexible working hours, now that she has a young family.

"My mother helps out a lot and because I work in a family business, if I really need to, I can bring the kids into work," she said. "As my boss is my family, they understand any needs I have as a working mum. I can also work from home if I need to."

While there are positives, there are also some challenges to working in a country agency.

"One of the biggest challenges of being a rural agent is to do with the weather and its effect on the local farmers," Lauren said. "It indirectly affects the whole community. We are still not out of drought and as we are on a flood plain, flooding can be an issue."

Despite the drought, she said Gunnedah was growing steadily.

"Gunnedah has around 10,000 people," she said. "It is a town that is

"As my boss is my family, they understand any needs I have as a working mum."

growing due to the local coal mines. When I first came back there was a lot of investment coming into the town, but real estate has slowed down a little recently."

Now that Lauren has found her feet in real estate, would she ever follow in the footsteps of her two brothers, who work in big commercial real estate companies in London and Sydney?

"Not in this lifetime. I am very happy where I am." ♦

Tax and contractors



BY GREG PATERSON

A RECENT DECISION OF THE FEDERAL COURT IS A REMINDER TO BUSINESSES THAT ENGAGING 'CONTRACTORS' THROUGH AN INTERPOSING TRUST OR COMPANY WILL NOT GUARANTEE THAT THE WORKERS WILL BE TAXED AS CONTRACTORS.

The Federal Court case involved two engineers who each claimed to be independent contractors working for Woodside Petroleum. They sought a declaration from the Australian Taxation Office that they satisfied the 'results test' for the purposes of an exemption from the personal services income provisions under current income taxation legislation. One of the engineers provided services on the construction project through a family trust and the other through a company.

The case has potential implications for our industry in circumstances where an agent holds himself/herself out to be an independent contractor.

The Court will look at the actual working arrangements between the parties and not just the form of a written agreement in determining whether a contractor should in fact be taxed as an employee.

The Income Tax Assessment Act 1997 (Act) provides that income is 'personal services income' if it is mainly a reward for an individual's personal efforts or skills. This applies regardless of whether the income is received directly by the individual or is received by a company, trust or partnership (called a 'personal services entity').

However, if the personal services entity is conducting a 'personal services business', then it is not affected by the personal services income rules under the Act.

To conduct a personal services business, the applicants were required to pass the 'results test' by meeting the following conditions:

- the income was for producing a result; and
- the trust or company was required to supply the plant and equipment, or tools of trade, needed to perform the work; and
- the trust or company was liable for the cost of rectifying any defect in the work performed.

The ATO rejected the engineers' applications. On appeal, the Court found that while the engineers were not employees in an employment sense, the working arrangements did not meet the three specific criteria of the 'results test' under the Act, and therefore they were to be taxed as if they were earning 'personal services income'.

The written arrangements between the contractors and the principal were consistent with the requirements of the results test. The agreements provided that the contractors would receive payment of a fee on the completion of deliverables on discrete assignments. On its face, this appeared to satisfy the requirement that the income was 'results' based.

However, the court looked beyond the words of the contract to consider the manner in which the services were actually being performed by the engineer. The court took into account the fact that the engineers completed timesheets and were paid an hourly rate for all work performed, and that they worked in close co-operation with other contractors and staff engineers in the business of the joint venture, rather than focusing on conducting their own individual businesses. The court concluded that:

"it would not be a reflection of substantial reality to say that his income was for the results he produced."

Implications for companies using contractors

The decision demonstrates the substantial impact that the alienation of personal services income provisions of the taxation legislation can have on contractors.

While an adverse decision of the ATO in respect of a contractor has no direct impact on the principal, individuals who provide their services on a contract basis (whether as a sole trader or through a trust or company) may seek

THE CASE HAS POTENTIAL IMPLICATIONS FOR OUR INDUSTRY IN CIRCUMSTANCES WHERE AN AGENT HOLDS HIMSELF/HERSELF OUT TO BE AN INDEPENDENT CONTRACTOR.

an offset from the principal of any loss to their net benefit. This may take the form of higher rates, or the inducement of a promise from the principal in the agreement to 'top up' fees in the event that the contractor is unable to satisfy the ATO that it is operating a personal services business.

Agents should be aware of this risk, and consider whether it is appropriate for contractors to obtain a personal services business determination from the ATO prior to engagement.

Real estate agents (or agencies) with income arrangements that rely on meeting the 'results test' should carefully consider this judgement in the context of their own circumstances and obtain specialist legal advice if required.

Greg Paterson is Executive Director of the Real Estate Employers' Federation of NSW (REEF).

REEF is a membership-based association that represents real estate employers. It provides help, guidance and assistance on workplace relations issues. REEF can be contacted on (02) 9261 2666.



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Laws of the land



BY TORQUIL MURRAY
AND CANDICE JUPP



COUNTRY AGENTS FACE DIFFERENT DAILY CHALLENGES TO THEIR CITY COUNTERPARTS – AND CAN END UP MAKING DIFFERENT SORTS OF MISTAKES. SOME RECENT CASES ILLUSTRATE THE KINDS OF PITFALLS THAT COUNTRY AGENTS SHOULD AVOID.

Selling the wrong block of land

We have come across cases where agents have shown potential purchasers the wrong block of land for sale. In one such example, a purchaser entered into a contract to purchase lot 36 in a rural subdivision, when in fact he intended to purchase the lot shown to him by the agent, lot 39. Although both lots were of the same value, the purchaser claimed against the agent on the basis that the house he had selected to build on the lot was no longer appropriate. This case was resolved with the agent compensating the purchaser.

Springs and bores

A common mistake made by rural agents surrounds water, in the form of springs and bores. When advertising a rural property for sale, agents should be sure that they do not make misrepresentations as to the supply of water to the property.

If a property is marketed as having a spring or a bore, the agent should check that access to the spring or bore is available to the property that is for sale and also that the spring or bore is still active.

In one example, a property was marketed for sale by an agent as having 'unlimited spring water'. This attracted a particular couple to purchase the property. They later discovered that there was no water in the spring and that there had been no water in it for a couple of years. The spring had run dry.

They claimed that it was never disclosed to them that the spring (and connected water tank) was shared with one of the neighbours, that the power supply to the pump at the spring was on the neighbour's property, and that there was an underground power line running from the neighbour's property to the pump.

The representation that the property had 'unlimited spring water' was information passed on to the agent by the vendor. If it was not for the agent's disclaimer on the advertising brochure – which read "All information contained herein is gathered from sources we believe to be reliable. However we cannot guarantee its accuracy and any interested persons should rely on their own enquiries" – the agent may have been liable to compensate the purchasers for the cost of having a bore constructed on the property as an alternative water supply.

Water charges

A further error by rural agents, still on the issue of water, relates to the collection of rates to pay water charges on behalf of a client. Where agents have a duty to pay water and drainage charges from monies collected from tenants, failure to do so can be a breach of the management agency agreement.

One example involved a property managed by an agent where the tenant vacated the premises and a water billing account for over \$4,000 was issued after that date. The tenant refused to pay the account, claiming that the majority of the account was the result of a broken water pipe, which had allegedly been brought to the agent's attention (not an unusual strategy for a disgruntled tenant). The agent denied that any complaint had been made. In this case, the agent and owner reached

IF A PROPERTY IS MARKETED AS HAVING A SPRING OR A BORE, THE AGENT SHOULD CHECK THAT ACCESS TO THE SPRING OR BORE IS AVAILABLE TO THE PROPERTY.

agreement to share the liability. The moral is that water bills need to be checked before a tenant vacates.

Electricity

Rural agents may also make an error about the supply of electricity to a property. Agents must not make misrepresentations. Once case involved an agent who sold a block of land in a subdivision. When the agent sold the block, a representation was made to the purchaser that the vendor would install a transformer on a pole at the boundary of the property prior to completion so as to provide electricity to each block of land in the subdivision. Contracts were exchanged in reliance upon that representation.

The purchaser was later advised that the vendor only intended to have a pole installed and that the purchaser would have to bear the cost of having electricity supplied to their particular block. The purchaser sought \$10,000 from the agent for the cost of having the property supplied with electricity.

Discrimination

Another common trap for rural agents is discrimination on the grounds of race, sex and age when selecting tenants.

A complaint was made to the Anti-Discrimination Board about an agent who managed a property in rural NSW. The complainant and a friend applied to lease the property for \$280 per week for a term of six months. Before the complainant and his co-tenant signed the lease, circumstances changed and a third person was proposed to move in.



Following disclosure to the agent, the landlord increased the rent to \$300 per week and reduced the term of the lease to a 'trial period' of three months. The applicants alleged that they had been discriminated against on the basis of sex and age. The matter was settled for \$400, but was the source of great inconvenience.

Security

Agents should take all necessary steps to ensure that rural properties sold are kept secure between auction

ONE CASE INVOLVED A DISPUTE
OVER A POWER POLE THAT
WOULD CONNECT ELECTRICITY
TO THE RURAL PROPERTY

ANOTHER COMMON TRAP FOR RURAL AGENTS IS DISCRIMINATION ON THE GROUNDS OF RACE, SEX AND AGE WHEN SELECTING TENANTS.

friendly country town, don't assume a 'she'll be right' mentality and think that only city agents get sued.

Whether you're in the country or the city, and whether or not you are very cautious, mistakes can still happen. Prudent agents will ensure their agency has adequate professional indemnity insurance.

Make sure that your insurer has a thorough understanding of the real estate industry so that they can act quickly if a claim arises. RealCover is 100% owned by REINSW and Torq Murray, one of the authors of this article, is a legal adviser to RealCover with extensive 'hands-on' experience of the sorts of claims that country agents can face.

Torquil Murray is a Partner and Candice Jupp is a solicitor at TressCox Lawyers.

For more information about professional indemnity insurance, call the RealCover Service Hotline on 1800 803 636, or visit www.realcover.com.au. ♦

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and settlement as they can be a target for squatters and vandals.

In one example, a property was purchased for auction. A \$10,000 deposit was paid and the completion period was 28 days. The purchaser requested the agent to arrange for the property to be boarded up, however the agent failed to do so.

Before settlement, the property was broken into and vandalised. The purchaser made a claim for \$10,390

for damage to the property and forgone rent. The sale was ultimately rescinded. The agent lost their commission.

Auctions

Finally, rural agents should not let standards fall away by reason that 'things are more laid back in the country'.

This was demonstrated at a country auction recently. The auctioneer failed to read out the terms of sale. When he determined that bidding

had stopped, he neglected to indicate which bidder had secured the property. The agent nevertheless decided to sign up one of the bidders and not the other. This led to a dispute as to which bidder had ultimately won and has resulted in lengthy court and legal proceedings.

Professional indemnity insurance

Some country agents might think that 'it can't happen to me', but the above examples illustrate that mistakes do happen. Just because you're in a

Super tips for employers

THROUGH DEALING WITH THOUSANDS OF REAL ESTATE BUSINESSES, REI SUPER HAS SEEN A VARIETY OF COMMON MISUNDERSTANDINGS PRACTICED ACROSS THE COUNTRY. ADMITTEDLY, SOME OF THE SUPER RULES ARE DIFFICULT TO FOLLOW AND OTHERS CHANGE. SO WHAT ARE THE TOP THREE MISTAKES?

1. Ignoring the maximum contribution limit

Each year the Australian Tax Office sets the maximum earnings base on which employers are required to pay superannuation guarantee. This is a quarterly figure – meaning that any earnings an employee makes above the maximum do not incur any superannuation guarantee liability. In 2007-2008 the maximum earnings base is \$36,470 per financial quarter.

We know that high earning sales persons are often being paid 9% on all earnings – often exceeding \$200,000 p.a. This can result in employers unnecessarily paying tens of thousands of dollars in superannuation contributions.

2. Paying on car allowances and lump sum entitlements

There are a number of exemptions when calculating 'Ordinary Times

Earnings' (OTE) for superannuation purposes. Those that most commonly apply in the real estate industry are:

- car and phone allowance – where the payment is based on a reasonable estimate of what will be fully expended in doing the job;
- discretionary bonuses – i.e. not related to specific performance criteria;
- maternity leave;
- accrued annual leave, long service leave and sick leave paid as a lump sum on termination;
- payments in lieu of notice.

Please note that circumstances surrounding these payments are critical to whether they are considered as OTE, therefore we encourage you to seek clarification about your own circumstances before reducing superannuation payments.

3. Late payments leading to loss of tax deduction

We simply can't stress this enough! The deadline to have funds banked by a complying superannuation fund is within 28 days of the end of each financial quarter. For example, the



MANY EMPLOYERS DO NOT REALISE THAT CAR ALLOWANCES ARE EXEMPT WHEN CALCULATING ORDINARY TIME EARNINGS

next deadline – for April, May and June accruals – will be July 28.

Every quarter REI Super has millions and millions of dollars paid in on the 29th, 30th and 31st days after the end of the quarter. These payments are no longer tax deductible and potentially have incurred additional charges.

Whilst REI Super do not monitor employer payments, sometimes payroll staff volunteer explanations for delays: these can be as simple as waiting for a cheque to be signed, illness, low priority being given to the job or delays in new staff providing super details. More often than not, the principal is not aware that they have lost a tax deduction.

Late payment is avoidable. If you are running close to the deadline, consider

using a bank transfer or other online payment method to ensure you meet your obligations to the ATO on time.

If you have concerns about any of the above, feel free to discuss them with REI Super, even if you are not using the fund in your business.

For more information email Sue Johnson at bdm@reisuper.com.au or call 1300 134 433. ♦

Disclaimer

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LENDING A HAND: Sit back or invest more?



BY ROBERT PROJESKI
MANAGING DIRECTOR OF
AUSTRALIAN MORTGAGE OPTIONS

With high inflation, volatility in the share market and high interest rates, even the newly-released Federal Budget is not the 'peace of mind' answer home buyers were looking for. Many will remain pessimistic about the market climate, yet those with vision and willingness to be flexible can see that there is still growth to be had.

Look at the bigger picture. Property trends being cyclical, it is conceivable that opportunities for worthwhile investing and capital growth do exist even in the current climate.

The top 10 performing suburbs in Sydney all gained over 20% growth in the past year – from Hurlstone Park to Bondi, Surry Hills to Whale Beach. They may not be low entry locations, but they sure performed well, with top performers even topping 25% growth.

Outside of Sydney, the north of the state is the strongest growth area in non-metro NSW, perhaps due to the continuing 'sea change' trend. Long-time strong performer Byron Bay showed over 23% growth,

beaten only by Broken Hill with Kingscliff, Brunswick Heads and Tweed Heads West closely in tow.

At times like these, it is flexibility and equity that hold the options for doing well in the current property market. Make use of your equity by redrawing, re-financing or accessing funds through shared equity loans to partake in growth markets to remedy some of the 'lost' gain due to the higher interest rates and repayments.

With rental demand strong, rising rents and low unemployment, it is a perfect recipe for successful investing. Units in particular are under high demand and they are usually much more affordable than houses.

Expectations for population growth and hence further housing demands are strong, especially for metropolitan Sydney.

By looking ahead, it is possible to see the current market as a good opportunity to assess your purchasing power and perhaps look at the most suited mortgage products for your next investment property.

Robert Projeski is Managing Director of Australian Mortgage Options. For more information, visit www.amo.com.au. ♦

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Show me the money



BY JASON ROACH

THE TYPICAL AGENCY CHARGES 2.4% TO VENDORS AND SPLITS 40% OF THIS WITH SALES STAFF.

WITH NEAR FULL EMPLOYMENT, AGENCIES SHOULD BE USING STRATEGIES OTHER THAN COMMISSION SPLITS TO COMPETE FOR AND RETAIN STAFF. HERE'S HOW TO STRIKE THE RIGHT BALANCE BETWEEN GIVING STAFF REASONS TO STAY AND NOT GIVING AWAY YOUR PROFITS.

Last year Macquarie Relationship Banking conducted a survey of hundreds of real estate agencies to pull together a Benchmark for the industry across sales, property management, staffing and salaries. When it came to commissions, the Benchmark found the typical agency charges 2.4% to vendors and splits 40% of this with sales staff.

Our intent with the Benchmark was to give principals an informed idea of what the industry average is, but there's only so far you can apply this 40% commission split figure. It's not a hard and fast rule of thumb.

THE TOP 1% OF AGENTS EARN MORE THAN \$1 MILLION DOLLARS A YEAR.

For one, commissions varied markedly according to size of agency. Small agencies (less than 10 staff) gave an average of 38% to sales staff. Mid-sized agency commission splits were 42%. And large agencies (more than 20 staff) gave even more – up to 46%.

In dollar terms the big agencies paid the most generous commissions – 35% of agents in large agencies earned more than \$150,000, compared to just 9% in small agencies and 19% in mid-sized agencies.

Elite sales staff

The Benchmark found the top 1% of agents earn more than \$1 million dollars a year. And the top 2% of agents earn more than \$500,000 a year. This is an important aspirational

goal for agents who want to succeed and it gives some genuine balance to the stories of super earnings currently out in the market.

For those having to deal with employed agents who want a larger slice of the pie, having the knowledge that such a small group achieve these high income levels is important, especially given the enormous challenges faced by these agents and the support staff they must carry to write these volumes. The average top sales person in a real estate agency across the country earns \$304,091 in gross commission.

Putting aside for a moment the commission split numbers based on agency size, there are other important differences between agencies that affect the level of commission split with sales staff. The cost of sales support and other less tangible items, such as marketing and brand presence, varies between agencies and needs to be factored into any remuneration and commission structure. The culture of any organisation and the work environment needs to be considered as part of commission split discussions.

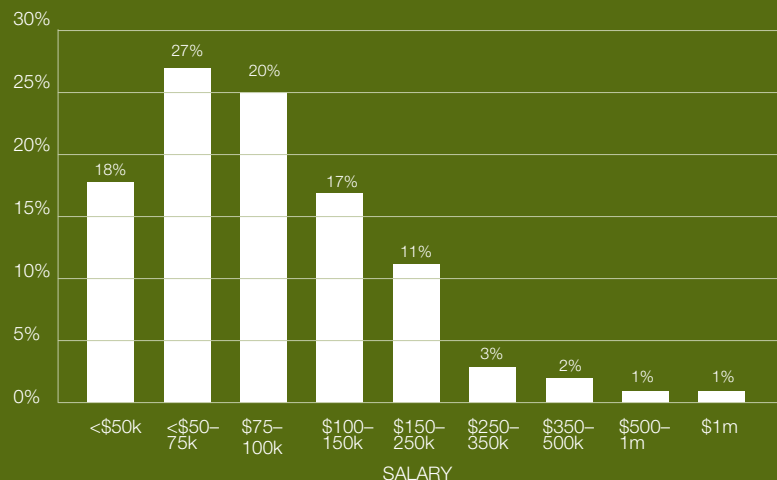
Sales staff need to understand what it is that you and your business bring to the table. For example, you may have been operating in your particular market for 25 years and have 30% market share. Arguably the brand and proven reputation you have built during those 25 years goes a long way to securing a listing.

Know where the market is at

Of course the type of market you're in affects commission splits too. It's worth knowing some of the numbers (for example, up-to-date median property prices) so you can make your case with any sales staff when setting commission splits and key performance indicators. And if the argument goes along the lines of



HOW MANY OF YOUR SALES AGENTS FIT WITHIN THE FOLLOWING TOTAL SALARY BANDS PER ANNUM (INCLUDING COMMISSION)?



Source: Real Estate Agency Survey Benchmarking Report 2007

THE COST OF SALES SUPPORT AND OTHER LESS TANGIBLE ITEMS, SUCH AS MARKETING AND BRAND PRESENCE NEEDS TO BE FACTORED INTO ANY REMUNERATION AND COMMISSION STRUCTURE

the idea of raising commissions to sales staff, we suggest agencies consider alternative strategies to assist staff to get more listings, for example, greater investment in sales training and advertising for the agent as well as the office. Incentivise the

agent to get more listings rather than give them a larger slice of what they are already writing.

Understand your cost base

When days on market lengthen, cash becomes tighter and some agencies may even try altering remuneration structures such as moving sales staff to performance-based pay.

Our advice when cash is tight is to understand your cost base really well. When there is a lot of top line revenue coming in, many agencies don't fully examine costs. It is not time to slash and burn, but you do need to understand where your spending is. For many, the last time they dived into the nitty gritty of their cost base was the last downturn in 2004, or even earlier when the GST was introduced in 2000.

Equity stakes lock in key staff

While commissions motivate staff to perform, offering an equity stake

may be an alternative way to lock key talent into your business. This is something that should be planned well in advance as part of your business planning process. Indeed, succession planning must be the primary objective of offering an equity stake. Both the principal and staff member need to be clear and happy with the decision and both doing it for the same reasons. While there is no hard or fast rule, equity offerings can range from 5% to 50%, depending upon how many people are involved and at what stage the business lifecycle is at.

In conclusion, it's not right to think of commissions as a necessary evil where you give away your revenue. When commissions are right they can increase your revenue by motivating sales staff. Profit-sharing schemes linked to performance have been de rigueur in the corporate world for decades.

Jason Roach is the joint National Head of Real Estate with Macquarie Relationship Banking. For more information, he can be contacted on (02) 8232 4489 or Jason.roach@macquarie.com. ♦

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PHONE 1300 667 286



Warning for younger seniors



BY TIM STOYLES

THE EXTRA \$90,000 AT THAT STAGE IN YOUR LIFE COULD BE THE DIFFERENCE IN BEING ABLE TO OBTAIN THE CARE YOU REQUIRE.

WITH THE UNDER-70 AGE BRACKET THE FASTEST GROWING SECTOR IN THE REVERSE MORTGAGE MARKET, SOME YOUNGER SENIORS MAY BE COMPROMISING THE EQUITY IN THEIR HOME TOO EARLY.

The average age of seniors drawing down a reverse mortgage has dropped from 74 to 72, and the fastest growing sector is the under

70's. The average loan amount is \$55,000 to \$60,000.

What concerns me is that at 65 you may still have another 20 years' life expectancy, and this figure continues to increase. Compound interest can have a dramatic effect on your home equity over this period, especially

when you need this equity for an accommodation bond or aged care costs in future years.

If a 65-year-old takes out the average mortgage of \$60,000 as a lump sum compared to the same amount as an income stream of \$1,000 a month for five years, the difference in their mortgage balance in 20 years is approximately \$90,000.

The extra \$90,000 at that stage in your life could be the difference in being able to obtain the care you require, at a time when you need it the most.

Brokers and other lenders should ensure that when discussing reverse mortgages that they also plan for future requirements.

With careful planning, you could realistically set up a 20-year income stream as the property value keeps pace with the loan balance, provided you start with a smaller monthly annuity. Of course this all depends on your needs and circumstances, which should be fully investigated for you.

Tim Stoyles is director of Sydney Wyde Investments and Mortgage Management, a retirement financial advisory consultancy specialising in reverse mortgages and offering zero or low cost financial consultation nationally. For more information, visit www.swimm.com.au.

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WISE INVESTMENT:

Positive cash flow or capital gain



BY CHRIS GRAY

THERE'S BEEN AN ONGOING DEBATE IN PROPERTY INVESTING CIRCLES ABOUT WHETHER YOU SHOULD INVEST IN POSITIVE CASH FLOW PROPERTIES (THOSE WHERE THE RENT IS MORE THAN YOUR MORTGAGE) OR CAPITAL GAIN ONES (THOSE WHERE THE RENT DOESN'T COVER THE MORTGAGE, BUT THE PROPERTIES TEND TO RISE MORE IN VALUE).

Let's examine objectively which option would suit investors best.

Positive cash flow

Positive cash flow properties are generally found more in regional areas, slightly further away from major cities, and which might have rents in the region of 5-10% of the property's value. A classic example is a mining town, where people will seek a rental

for one to two years (the duration of their employment in that town).

The argument for positive cash flow properties is that there is no limit to how many you can accumulate, as they put money into your pocket each week. If you're on a lower income or don't want to have to use your limited wages to top up your property portfolio, then these might be the best option for you. Buying further away from cities affords you larger properties – that is, a house rather than a unit. And they do say that land appreciates while buildings depreciate – so the more land you have the better.

The main disadvantage about these positive cash flow properties is that often they don't grow as much as ones that are closer to the cities. They might grow at 5% instead of 10%. If they don't grow in value as much, it can be very hard to create enough equity to help fund the deposit on your next investment property – and that's your limiting factor slowing your wealth creation down.

Capital gain

Capital gain properties are typically found 5–15kms from major CBDs.



The attraction to them is that they might grow at around 10% per year, because land is in short supply within these areas while there's plenty of demand from buyers who only want to commute a short distance to the city. As they do tend to grow quickly, it's simple to use the increased equity as a deposit on your next investment, increasing your portfolio of properties much quicker.

The main disadvantage of capital gain properties is that the rent doesn't cover the mortgage and so you'll need to top it up. If a typical

\$500,000 property (with a 5% rent) loses you \$10,000 to \$20,000 in cash flow per year (depending on your tax), you really need to have a high income or a lot of equity to fund the difference. Think of it as saving \$1,000 to \$2,000 per month to make \$50,000 at the end of the year.

The ultimate property is the one that has a bit of both, but they are often difficult to find. Some investors start with positive cash flow and then move towards capital gain properties as their portfolio and income grows. Others tend to have a mixture of both. The danger for real estate agents and investors is that it's easier to invest on your doorstep, but it may not give you what you are after.

To build the ultimate portfolio, you need to do your numbers and let that dictate where and what to buy.

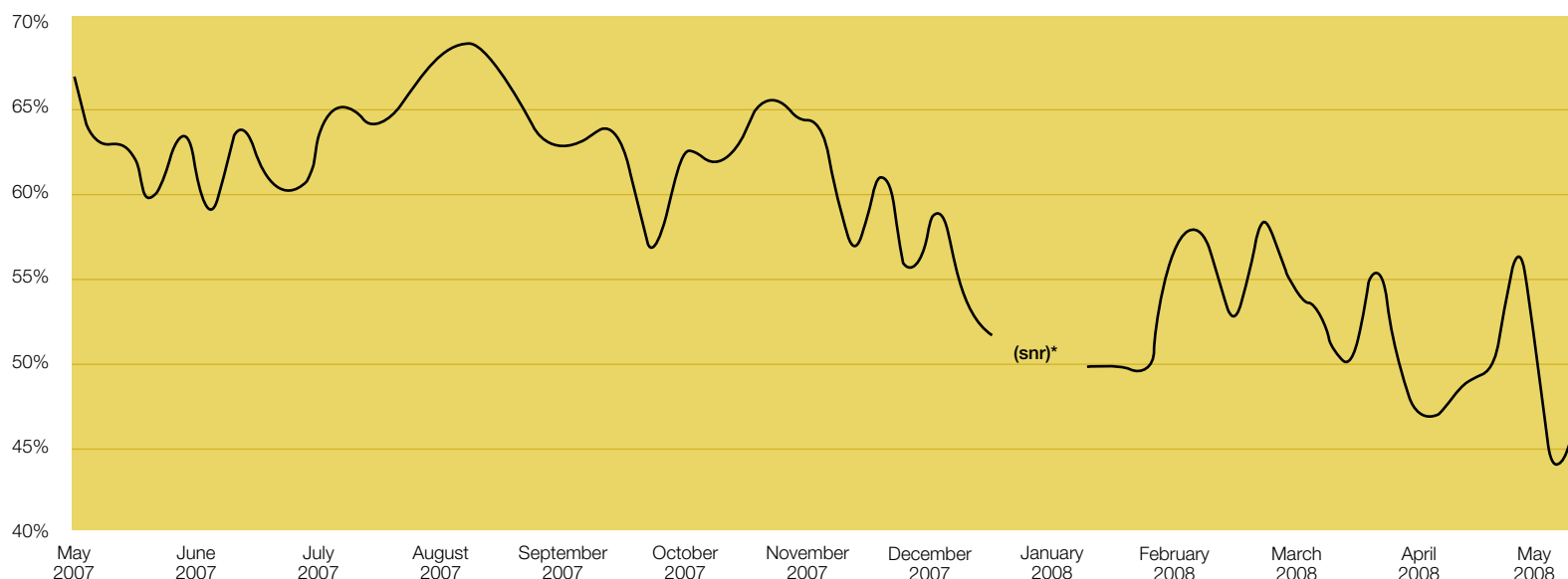
Chris Gray is the Property Expert on Channel 9's MyHome TV, CEO and founder of property investment consultancy Empire, and author of Go For Your Life: How to Turn Your Weekdays into Weekends Through Property Investing. For more information, visit www.yourempire.com.au.

SYDNEY AUCTION DATA

Sydney weekly auction clearance rates

Week Ending	Inner Sydney		Inner West		Lower North		Inner East		Sydney	
	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate
11/5/08	55	53.5%	33	61.1%	47	52.5%	60	64.1%	411	47.54%
4/5/08	89	53.8%	31	57.6%	65	40.8%	72	57.5%	411	48.13%
27/4/08	60	61.3%	16	68.8%	40	60.0%	52	67.2%	295	55.07%
20/4/08	76	62.8%	30	71.0%	48	55.7%	76	61.2%	619	50.35%
13/4/08	60	59.7%	29	59.4%	49	54.2%	49	54.8%	509	52.83%
6/4/08	79	58.4%	25	64.0%	55	47.9%	78	56.5%	589	54.75%
30/3/08	52	52.2%	30	38.2%	50	63.3%	38	55.8%	642	58.46%
23/3/08	47	45.5%	3	100.0%	35	53.8%	145	59.9%	297	52.96%
16/3/08	105	54.2%	55	62.7%	99	58.0%	89	60.6%	174	58.47%
9/3/08	91	59.0%	32	63.6%	66	62.2%	83	56.3%	87	56.38%
2/3/08	83	58.6%	32	81.3%	107	63.7%	114	64.2%	8	50.00%
24/2/08	104	63.1%	36	51.4%	68	63.5%	171	69.0%	10	50.00%

Sydney auction clearance rates



* Sample not reliable
Data provided by Australian Property Monitors

NEWCASTLE/WOLLONGONG AUCTION DATA

Newcastle and Wollongong weekly auction clearance rates

Week Ending	Newcastle		Wollongong	
	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate
11/5/08	35	30.00%	24	38.5%
4/5/08	26	21.43%	39	24.4%
27/4/08	9	10.00%	13	23.5%
20/4/08	25	29.63%	11	25.0%
13/4/08	16	5.56%	19	17.4%
6/4/08	44	20.83%	36	28.9%
30/3/08	39	20.51%	13	25.0%
23/3/08	1	snr	0	snr
16/3/08	36	32.50%	12	60.0%
9/3/08	46	18.37%	46	18.0%
2/3/08	10	27.27%	27	20.0%
24/2/08	18	42.11%	20	48.0%



MICHAEL MCNAMARA,
GENERAL MANAGER OF
AUSTRALIAN PROPERTY MONITORS
PUBLISHER OF
WWW.HOMEPRICEGUIDE.COM.AU

"Property markets move in phases, not cycles. They are driven by external factors such as the availability and cost of finance, the release of land, demographic change, inflation, wages, population and GDP growth. Growth phases therefore, will occur not simply because it is 'that time in the cycle', but because the conditions are right."

Minimise your risk



BY ANN BANISTER

THE REINSW AGENCY SUPPORT HELPLINE RECEIVES ABOUT 50 CALLS A DAY FROM MEMBERS SEEKING ANSWERS TO PRACTICAL PROBLEMS THEY FACE. HERE ARE SOME TIPS TO ASSIST WITH SOME OF THE MOST COMMON QUERIES.

What happens when a tenant dies?

Under section 3 of the *Residential Tenancies Act*, a tenant is defined as the person who has the right to occupy residential premises under a residential tenancy agreement, and includes the person's heir, executors, administrators and assigns.

Therefore, a tenancy does not necessarily finish when a tenant dies and the situation needs to be handled compassionately and diplomatically. The person who has the authority to deal with a deceased tenant's affairs is the person's legal personal representative. This is usually the executor(s) named in the person's Will (if they had one), or the next of kin on intestacy, which is usually an entire class of next of kin as defined in a specific order by law, for example a spouse, or all children, or both parents, or all brothers and sisters depending on the deceased's particular circumstances.

Great care should be taken to ensure that you are dealing with the legal personal representative when dealing with a deceased person's assets, or undertaking negotiations in relation to a lease, as significant disputes can sometimes arise between family members when possessions are released to, or are taken by, the wrong person.

Family members, neighbours or friends of the deceased will often know who the executor or administrator is, and whether a solicitor is holding a Will. Contact with the executor or solicitor should be made in the first instance rather than simply taking instructions from the first relative to contact you. Where no legal personal representative can be located, you may need to contact the Public Trustee of NSW for further advice.

GREAT CARE SHOULD BE TAKEN TO ENSURE THAT YOU ARE DEALING WITH THE LEGAL PERSONAL REPRESENTATIVE WHEN DEALING WITH A DECEASED PERSON'S ASSETS.

In some circumstances, you may not be able to end the tenancy, or deal with property until the Supreme Court makes a grant of probate or letters of administration pursuant to the *Probate and Administration Act* (NSW).

Another point to remember is that if the tenant died in the premises this might, in certain circumstances, become a Material Fact which may need to be disclosed to any future occupants.



Always ensure that you confirm the ownership of property for sale or rent

It is an absolutely fundamental requirement of agency practice that you confirm that the vendor(s) or landlord(s) for whom you are asked to act have the legal authority to engage you.

Before doing anything at all for a potential client, you should establish that authority by conducting the usual checks (such as conducting online titles searches at LPI, sighting current rating notices etc). The authority of all owners should be established by speaking with them or sighting other evidence such as Powers of Attorney, Probate, written instructions etc

Condition Reports for residential rental premises

Part 2 of a residential tenancy agreement is the Condition Report which has to be completed at the beginning of the tenancy.

Considerable care and attention should be taken when completing this document concerning the condition of the premises. Simple notes should be made detailing the brands/models and cleanliness of appliances, details of any scratches to walls, woodwork, tiles, marks on walls or floors, condition of paintwork, conditions of carpet, and other inclusions. Making detailed notes can help assist in preventing disputes or providing proof as to

A DETAILED PICTURE IS WORTH A THOUSAND WORDS AND IS HARD FOR A TENANT TO DISPUTE.

the state of the property and furnishings at the commencement of the tenancy.

Dated photographs are an excellent tool to use in an attempt to prevent any arguments as to the condition of items at the end of the tenancy when arguments about the bond arise. A detailed picture is worth a thousand words and is hard for a tenant to dispute in the Consumer, Trader and Tenancy Tribunal.

A tenant has seven days from the commencement of the tenancy in which to complete and return the Condition Report and this time limit should be explained to them at the beginning of the tenancy. Also, they should be aware that if they do not return the form then the original copy will be used for the outgoing inspection when they vacate.

If you have any further questions, please call the REINSW Practice Support Helpline on (02) 9264 2343 or email helpline@reinsw.com.au. ♦

Membership in briefs

Member survey

Your opinion counts!

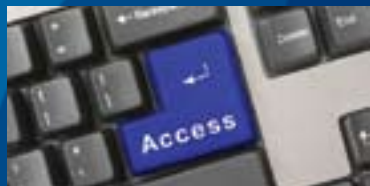
Following the overwhelming response to our member survey last year, REINSW will now conduct a survey annually to ensure that we are providing the best possible benefits to you, our members.

These surveys are a vital tool for REINSW, because we use the results to identify our strengths and weaknesses and directly address member concerns. For example, last year's survey helped us to streamline our electronic communications to provide more timely and effective emails, such as our monthly eNews newsletter for members.

We're keen to hear your thoughts! So look out for the REINSW Member Survey in the coming months and help us to help you.

The monthly eNews newsletter provides updates on important industry news, events and training. If you work at an REINSW member agency, you can receive eNews and other benefits such as your own copy of the *Journal* by signing up as an individual member for just \$8 a month.

To find out more, call REINSW Membership on (02) 9264 2343 or email membership@reinsw.com.au.



Don't get locked out!

One of the key benefits of REINSW membership is access to the wealth of member-only information available on the website www.reinsw.com.au.

In order to protect this key benefit, members require a username and password.

Do you know yours?

If not, it's as easy as clicking on the 'Forgotten username and/or password' link on the homepage. Once you have entered your email address, click the 'Email me' button. An email will be sent to your inbox advising you of your username and password.

If for some reason the email address you have entered is invalid, or you are unsure about which of your email addresses REINSW has on record, simply email membership@reinsw.com.au and one of our friendly Membership Officers will get back to you.

Did you know?

Receive extra benefits

Do you work at an REINSW member firm? Did you know you could receive extra benefits by signing up as an individual member?

For just \$8 a month, you will receive your own copy of the *Journal* as well as email updates on upcoming events, training and the latest news.

You will also receive special discounts on forums, training and sales products – discounts that are only available to individual members.

Staff changes

Have you had any staff changes at your agency lately? It's possible that you might still be paying membership fees for staff that have left your agency.

Check which of your staff are REINSW members and update any contact details, to ensure you are maximising the benefits you and your colleagues can receive.

Find out more by calling REINSW membership on (02) 9264 2343 or email membership@reinsw.com.au.

PRODUCT OF THE MONTH: First aid kits

Make sure your office has an up-to-date first aid kit. You can also purchase one for your car for when you are out on the road.

REINSW sells two types of kits: large kits for offices of 10 to 99 employees, and small kits for offices of 10 employees or less (or for motor vehicles).

The kits contain gauze bandages, sterile eye wash and eye dressings, first aid scissors and safety pins, latex gloves and antiseptic skin wipes, among other items.

To order a first aid kit, call the REINSW Store on (02) 9264 2343 or visit www.reinsw.com.au.



Complaints resolution process

BY CATHY MCGOWAN

HAVING A COMPLAINT MADE AGAINST YOU OR YOUR AGENCY CAN BE DAUNTING, BUT REINSW CAN STEP YOU THROUGH THE PROCESS.

I've never had a complaint made against me and now I have a letter from REINSW asking me to respond to allegations made by one of my clients. What should I do?

First, bear in mind that the fact that someone has chosen to make a complaint does not necessarily mean you have done the wrong thing. REINSW understands that there are two sides to every story. That's why it's important for you to provide us with a written response that specifically addresses the issues and allegations made by the complainant. Your version of what transpired, as well as any documents (such as agency agreements, file or diary notes) that support your position will enable us to gain an accurate picture of what transpired.

The allegations are untrue and I'm too busy to respond. Why should I waste my time?

For many complainants, REINSW is their first port of call. If they are satisfied that we have acknowledged their concerns and investigated the complaint with the member in question, in most instances they will not seek any further recourse through the Office of Fair Trading (OFT), the Consumer Trader and Tenancy Tribunal (CTTT), or the courts.

Therefore, by cooperating with REINSW in the complaints resolution process, you may save yourself the time and money associated with OFT investigations, and/or CTTT hearings. REINSW is a less formal, inexpensive dispute resolution procedure.

What happens once I respond to REINSW? Does my response remain confidential?

Your response is given to the REINSW Professional Standards Officer for consideration. You may be contacted to clarify matters or to provide further information. Each complaint and response is assessed in order to determine if there has been a breach of professional standards under the REINSW Code of Practice. You will be advised of the Institute's determination in writing.

Is the decision of the REINSW Professional Standards Officer final?

No. The complainant can appeal the decision to the REINSW Executive. The complainant can also lodge a complaint with OFT, commence proceedings in the CTTT, or both. However, intervention by REINSW is often sufficient to resolve complaints to the satisfaction of the parties without the need for OFT or CTTT involvement.

Cathy McGowan is the REINSW Professional Standards Officer.

For more information about the complaints resolution process, call REINSW on (02) 9264 2343.

East meets west



BY PHILIP WEBB
PRESIDENT FIABCI AUSTRALIA

NETWORK WITH PROPERTY PROFESSIONALS FROM OUR ASIAN NEIGHBOURS AT THE UPCOMING FIABCI CONFERENCE IN HAWAII.

There is little doubt that the growing influence of our nearby Asian neighbours in the Australian property market has presented a number of opportunities for those working in real estate around the country.

This makes the upcoming Regional Congress of the Americas and

Asia-Pacific, which is due to be held in Hawaii from October 23 to 25, an enormous opportunity for astute property professionals.

This will be the first time FIABCI groups in the American and Asia-Pacific regions have combined resources in a single event. World President-elect, Luis Fernando Correa-Bahamon, will preside over the combined regional congress which has been entitled East meets West: Opportunities for Real Estate.

Participation is expected from delegates from Australia, Indonesia, Japan, Malaysia, Korea, China, the Philippines, Singapore, Vietnam, Thailand, Cambodia, Taiwan, India and Nepal, making this an excellent opportunity for us to build stronger contacts with a wide network of property specialists throughout the Asian region.



Delegates are also expected from areas such as Argentina, Brazil, Canada, Columbia, Costa Rica, Dominican Republic, Mexico, Panama, Paraguay plus, of course, the United States, which should make for an exciting and eclectic mix.

Given that the Hawaiians invented the concept of 'resort', with their state economy relying so heavily on repeat business and testimonial promotion (a bit like real estate really), those attending the conference can look forward to a most relaxing and entertaining break from the office.

Of course, as is always the case with FIABCI Conferences, there will be ample opportunities to take in the sights and learn about the culture of this fascinating part of the world, with tours to suit a wide range of interests.

'Early bird' registrations close on June 30, so why not block out some time in your diary today to add a real international flavour to your business in the future.

For more information or to find out more about FIABCI membership, contact Philip Webb on (03) 9874 3355. ♦

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Are you looking to promote your product or service to the real estate industry?



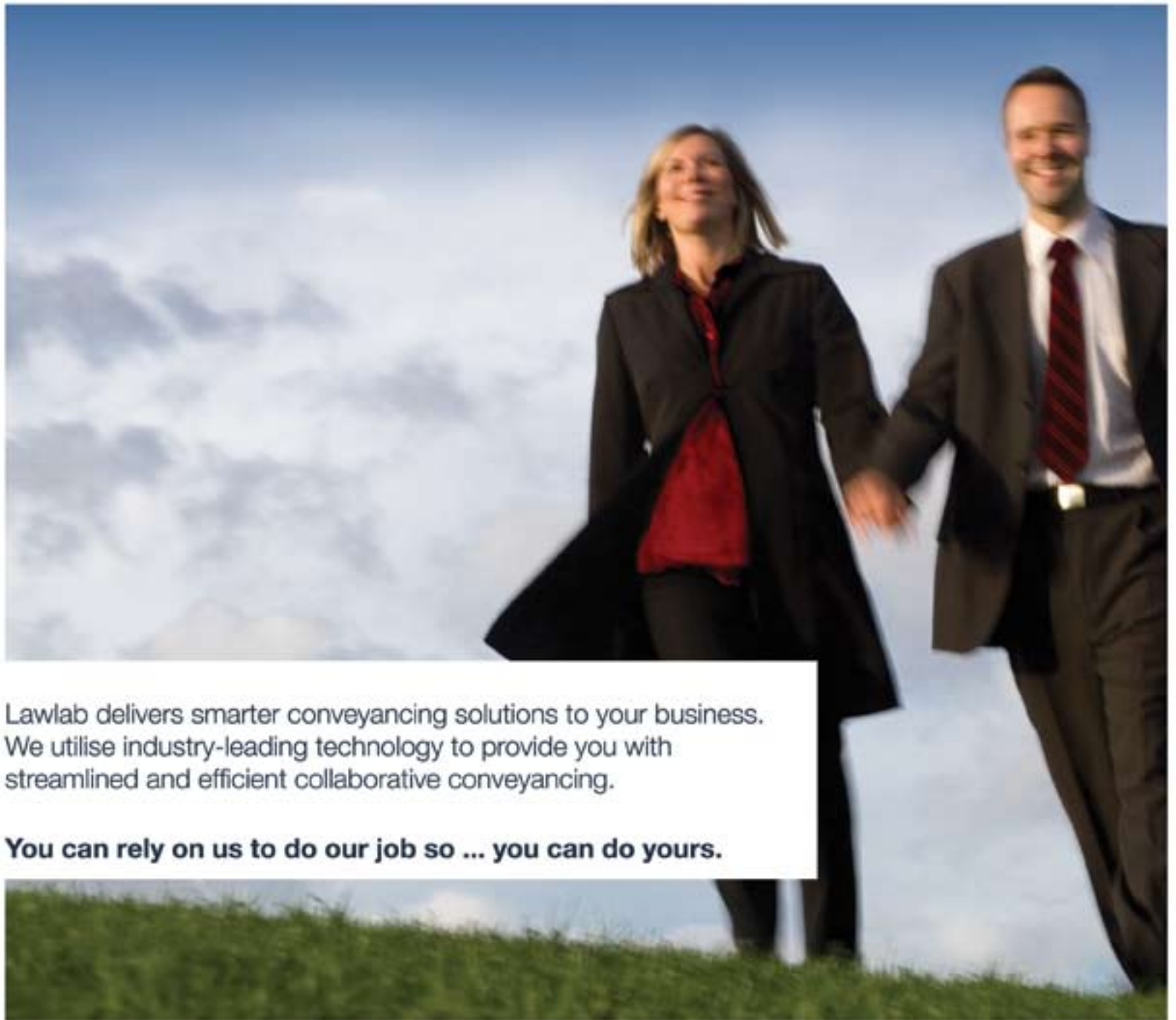
As the peak body representing real estate agents in NSW, the Real Estate Institute of NSW provides an unrivalled opportunity to reach this market.

The *Journal* offers a number of advertising options, including quarter-page, half-page and full-page ads, with discounts for multiple bookings. The Supplier Directory is also a cost-effective way to promote your business, with your logo and company details in the *Journal* and on the REINSW website.

REINSW distributes approximately 5,200 copies each month, reaching an estimated readership of 15,000, while the website receives an average of 13,000 unique visitors per month.

REINSW also has a number of advertising packages, as well as sponsorship and partnership opportunities.

For more information, please contact Alyssa King on (02) 9264 2343 or email advertising@reinsw.com.au



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