

Journal

MAR2008
VOLUME 14

sale mail

Get the most
out of your
marketing

Investor interest

Will property
investors
return
in 2008?

Receipts and files

How long to
keep them





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Compliance Guide

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Recognition for professionalism in the real estate industry.

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- Park Beachside, Coogee on phone (02) 9315 7777, email rent@parkbeachside.com.au or visit www.parkbeachside.com.au;
- Tea Gardens Real Estate on phone (02) 4997 1300, email rick@teagardensrealestate.com.au or visit www.teagardensrealestate.com.au.

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Bob Jane T-Mart

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Sad but true – bad news stories generally grab the headlines. Lately there have been several: Demographia's survey into international housing affordability which found Sydney was the 11th least affordable city for housing among those surveyed; news that up to 750,000 households are facing mortgage stress; and the effect of the latest interest rate hike.

For our part, REINSW has been countering the doom and gloom with the – largely ignored – good news about property investment. That is, with rents now rising sharply due to the severe shortage of rental property, those investing in property are starting to realise excellent returns. With the share market looking vulnerable, the retreat of investment into property seems assured (for more, see p7).

REINSW President Steve Martin gave this positive message to an international audience when he was interviewed live on 23 January on CNBC Asia, the pay television business network for business consumers. Steve was also busy on the airwaves, talking to listeners on ABC Talkback, 2UE, 2GB and 2SM on issues that included where to find the bargain areas and houses versus apartments as a property choice.

Elsewhere, the REINSW media release on the January vacancy rates was picked up by the *Sydney Morning Herald* and *Australian Financial Review*. Again, the theme was: as times are tough for renters, it is time for investors to get back into the market and the NSW Government should be doing all it can to encourage them to do so.

PRESIDENT'S MESSAGE



2008 is looking good

The past few years have been tough for property investors, but I believe the tide is turning.

'*Hey-day for investors*' – that was the catchy title of a property update put out recently by one of Australia's leading property market analysts. It pretty much sums up the prevailing mood that the hard times for residential property investors are over – at least for now – and it's time to reap some rewards.

Existing property investors will have already seen their investment return better weekly rentals as the extreme shortage of rental properties in many parts of NSW – and most particularly in Sydney – have seen rents rise throughout 2007. There are predictions that rents will grow another 10-12% this year.

For those considering entering the property investment market – either as an alternative to the share market or because there is a swing in sentiment back to bricks and mortar as a reliable investment choice – there are plenty of existing properties selling at reasonable prices. The sad fact is that in many of the rental belt areas, properties were bought in 2003 and 2004 by people on slim incomes and with little capacity to cope with the rising interest rates we are now facing. These properties are coming onto the market at very competitive rates and the certainty that once bought, finding tenants will be no problem.

The fact that there is more activity in the market should be encouraging news to agents, who have had to battle through a hard year. Vendors have been reluctant to sell as they wait to see what way the market will go. Developers have been waiting to see what happens. Now, with pent-up demand and rents on the rise, the market is on the move again and this can only be good for our profession.

Steve Martin

NEW MEMBERS

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Coast**
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Sue Edwards Real Estate
359 Pacific Highway
ASQUITH NSW 2077



Mountain for sale

Real estate agents are occasionally tasked with some unusual sales, but it's not often that the opportunity comes to sell a whole mountain.

Raine and Horne Real Estate in Kempsey recently stepped up to the challenge when a local family decided to put Mackay's Mountain on the market.

The mountain is part of a 192-hectare parcel of land, rising to a height of 70 metres on the coastline at Crescent Head.

"There have been a few expressions of interest," said agent John Charlton. "There's the potential to sub-divide. One person is looking at it just to put a house there for himself."

Courting the mortgage industry

In another sign that the real estate and mortgage industries are working more closely together, the Harcourts franchise has announced a deal with mortgage broker Mortgages Today.

The mortgage brokerage arm of the real estate group, Harcourts Financial Services, will be adopting Mortgages Today's customer service, marketing and personnel resources. Each Harcourts office will be assigned a dedicated mortgage broker who will support the mortgage needs of that office's clients, in addition to having access to a customer service department to act as the 'middle man' between the broker and the agent.

Harcourts, which was established in New Zealand, has 437 offices in five different countries, including 14 offices in NSW.

Property hot spots

Laing+Simmons recently released their top picks for property investment hotspots in 2008.

Top of the market:

Bellevue Hill, Darling Point and Bondi Beach.

"Bellevue Hill is a standout area in the Eastern suburbs," said Laing+Simmons General Manager Leanne Pilkington. "Popular with investors and owner-occupiers alike, the suburb's desirability stems from its proximity to the city and good public transport links. Houses, particularly those on level blocks of land, are highly sought-after and are attracting excellent prices."

Central Coast:

Ettalong Beach, Umina Beach and Empire Bay.

"Empire Bay is located just over one hour from Sydney by car or by train," Leanne said. "The area offers waterfront properties, acreages and modestly-priced homes five minutes from the water. Commuting to Sydney is a realistic option and there is much potential for capital growth."

Port Macquarie

"Port Macquarie offers investors many chances to purchase property at lower price points and with significant opportunities for capital gain," Leanne said. "Seachangers from Sydney and Melbourne have recently been joined by Queenslanders, drawn south for the milder weather and better climate, this trend further igniting the Port Macquarie market."



Happy 125th birthday

Iconic real estate group Raine & Horne has celebrated its 125th anniversary.

The firm began in 1883 in a small office on Elizabeth Street in Sydney. It now has over 400 offices worldwide with a workforce of nearly 3,000 people.

The company is still 100% family owned and is in the hands of its fourth generation.

Some interesting facts about Raine & Horne:

First client: the famous 19th Century politician, human rights activist and publisher William Charles Wentworth.

First suburban office: opened 1968 in the Roma Arcade in Double Bay, Sydney.

First franchise office: opened in 1976 in Liverpool, Sydney.

Longest serving employee: Mr Harold Horsley, who spent more than 60 years with the company.

Severely unaffordable

Mandurah, south of Perth, has been named the sixth least affordable housing market in the world, according to a new international report. The Sunshine Coast was ranked seventh, while the Gold Coast and Sydney were equal 11th.

The Demographia report described Australia as one of the least affordable housing markets in the world, based on the ratio of median house price to median household income.

RANK	NATION	MARKET
1	United States	Los Angeles, CA
2	United States	Salinas, CA
3	United States	San Francisco, CA
4	United States	Honolulu, HI
5	United States	San Diego, CA
6	Australia	Mandurah
7	United States	San Jose, CA
7	Australia	Sunshine Coast
9	United Kingdom	Bournemouth & Dorset
10	United Kingdom	Belfast
11	Australia	Gold Coast
11	Australia	Sydney
13	Canada	Kelowna
13	United States	Santa Rosa, CA
15	Canada	Vancouver
16	United Kingdom	Exeter & Devon
16	United States	Ventura County, CA
18	United Kingdom	London (GLA)
19	Australia	Perth
20	New Zealand	Tauranga



Renovation cost guide

Outrageous quotes on renovations that can vary by up to 70% have been targeted by Archicentre, the building advisory service of the Royal Australian Institute of Architects.

The 2008 Archicentre Cost Guide is now available, providing an idea of the sort of costs to expect for various types of renovations.

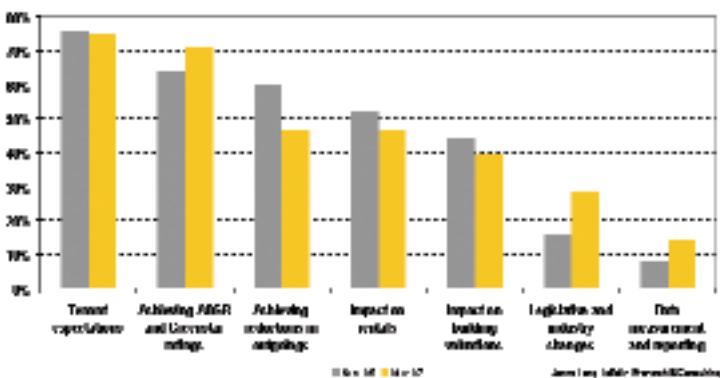
"If home buyers and renovators have no knowledge of the reasonable costs of building or products, they could be giving a builder or product supplier a blank cheque," said Archicentre Managing Director Robert Caulfield.

Typical range of prices

COSTS OF RENOVATIONS:

Bathroom (ensuite is less):	\$9,200 - \$24,000
Kitchen:	\$10,200 - \$30,500
Laundry:	\$4,000 - \$9,500
Bedroom:	\$3,900 - \$8,100
Single room 20m2 upgrade:	\$4,600 - \$9,900
Single room 20m2 extension:	\$16,900 - \$36,7000

Fig. 10 Sustainability Issues Influencing Investors



Green preference

Sustainability is an increasing priority for commercial property investors, according to a new survey by Jones Lang LaSalle.

Sixty-one per cent of respondents said that if all other things were equal, sustainability would sway their decision between alternative investments. That's up from 56% in 2006.

Another finding was that the majority of respondents (57%) consider sustainability an issue within the next 12 months, compared to 2006 when the majority (76%) saw it as an issue that would be critical in up to five years' time.

Council comparison


New figures show that the Gundagai local government area has the fastest development application approvals in the state, taking a mean time of just 3.1 days in 2005/06. Leichhardt was the slowest at 118 days.

The data is contained in a new report released by the NSW Department of Local Government called *Comparative Information of NSW Local Government Councils*, which is available on their website at www.dlg.nsw.gov.au.

Other facts from the report include:

- Average amount of ordinary rates for residential properties in NSW: \$666
- Highest average residential rates: Hunters Hill (\$1,085.30)
- Lowest average residential rates: Brewarrina (\$85.90)
- Highest legal costs associated with planning and development: Sydney (\$1.751 million)

A leopard can change his spots



As the largest brand across Australia and New Zealand, Ray White's attention to detail is unsurpassed. Evolving the brand has positioned Ray White at the forefront of the industry, as we have done successfully in the past we will keep understanding the future needs of our industry.

Ray White **Works**

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Investor interest rises



BY DAEL CLIMO

IT'S STILL EARLY DAYS, BUT THERE ARE EMERGING SIGNS THAT PROPERTY INVESTMENT IS REGAINING POPULARITY AND 2008 COULD BE THE YEAR WHEN THE PROPERTY INVESTMENT MARKET IS REVITALISED.

Shares vs property

At the height of the last property cycle in 2003, around 40% of financial commitments for housing were for investment properties. But falling property prices – particularly for apartments – discouraged many investors. The unpopular vendor duty tax in NSW dealt property investors another blow and even after that tax was abolished, ongoing charges such as land tax have remained a disincentive to property investment. At the same time, soaring share prices have lured investment dollars into stocks instead, so that property investment fell to just 30% of all financial commitments for housing in Australia last year.

For some time, economists have stated that it would take a serious knock to the share market for investors to start looking at property again. The 'Black Tuesday' share tumble in January may turn out to have been such a turning point. As the shaky and unsustainable state of the global equity market causes people to rethink their investment strategies, the tangible nature of bricks and mortar offers an appealing and reliable alternative.

Rising rental returns

Property is also regaining some of its attractiveness due to the increasing returns it offers to investors.

The lack of property investment over the past five years has created a rental market that is sorely undersupplied. REINSW's most recent residential vacancy survey shows a vacancy rate of only 1.2% in Sydney – the 18th month in a row that vacancy levels have been below the crisis point of 2%.

The flow-on effect of the supply/demand imbalance is rising rents. Recent figures from the NSW Department of Housing showed that rents for two bedroom flats jumped by more than 10% during 2007 in more than half of the 43 Local Government Areas (LGAs) in Sydney.

"Rents have risen every three months for more than a year in some suburbs," the report's authors said. "Ryde, Sydney, Parramatta, Holroyd and Warringah have each recorded five consecutive quarterly increases."

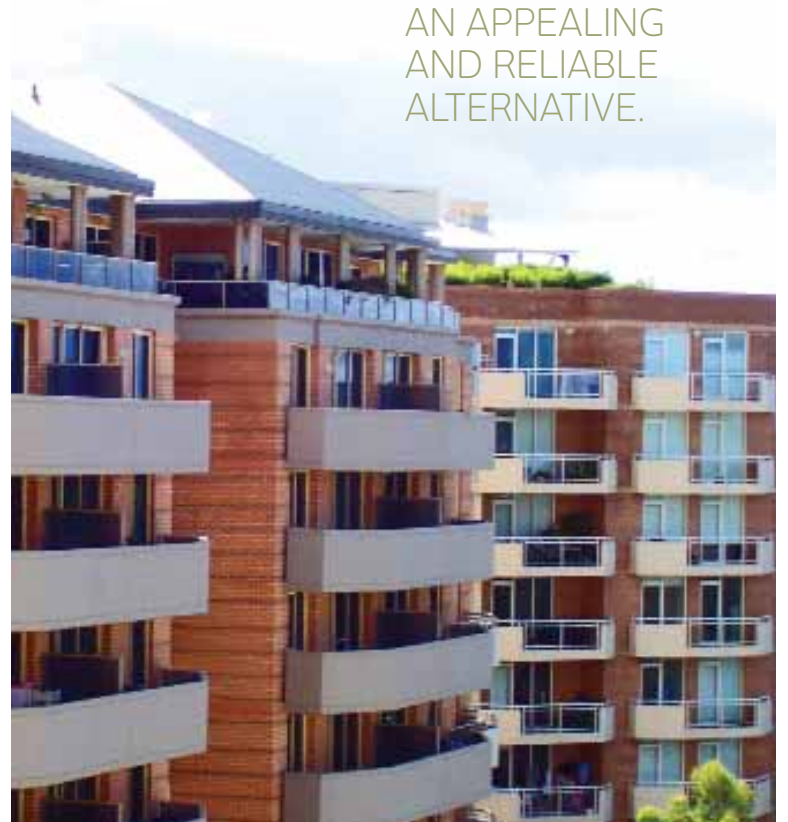
While that's bad news for renters, it bodes well for investors and could encourage them back to a market that sorely needs them.

And it's not just the rents that are on the rise. With property prices forecast to increase by more than 5% across NSW this year, the total returns (rents + capital gains) on property investment should improve.

Looking to buy?

Already, there are indications that investor money is starting to come back into property, with an upswing in development approvals for houses and apartments granted by Sydney councils in the past six months.

Most are in rental belt areas experiencing a dearth of supply. They include northern suburbs such as the Ku-ring-gai area (where rents increased 10.6% in 2007) and Ryde (up 14.3%); Woollahra in the east where rents grew 14.1% and Auburn in the inner west where they escalated by 15%.



AS THE SHAKY AND UNSUSTAINABLE STATE OF THE GLOBAL EQUITY MARKET CAUSES PEOPLE TO RETHINK THEIR INVESTMENT STRATEGIES, THE TANGIBLE NATURE OF BRICKS AND MORTAR OFFERS AN APPEALING AND RELIABLE ALTERNATIVE.

Investors should also be encouraged by analysts' predictions that Sydney rents will continue to rise throughout 2008 as any new projects on the books will take months to come on to the market and help redress the shortage. Australian Property Monitors believes that Sydney rents for both apartments and houses will grow 10-12% annually for at least the next two or three years until the new projects are developed.

Existing stock is also coming onto the market, often at bargain prices due to mortgagee sales, where over-capitalised home owners have been unable to meet their mortgage commitments following so many consecutive rate rises. Campbelltown, Fairfield, Liverpool and Holroyd are all suburbs on Sydney's western fringes that have recorded falls in median prices and have seen a concurrent rise in mortgagee sales.

On a happier note, increased investor interest is also emanating from overseas, with Sydney for the first time climbing into the top 10 ranking of cities favoured by international property investors. The Association of Foreign Investors in Real Estate's 2007 survey of most attractive property markets in which to invest shows Sydney climbed from 15th place in 2006 to number nine.

So what should agents expect for the property investment market in 2008? With interest rates still going up and land tax still acting as a disincentive, there is unlikely to be a mad rush of investors looking to buy into property. But with rising rents, rising house prices and an unstable share market, the tide is turning and property investment is steadily becoming a more attractive option in 2008 than it has been over the past few years. ♦



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REIA Awards



A RECORD 77 INDIVIDUALS AND AGENCIES WILL VIE FOR THE REAL ESTATE PROFESSION'S TOP HONOURS IN THE 2008 REIA NATIONAL AWARDS, TO BE PRESENTED IN MELBOURNE ON 3 APRIL.

Nominees for the prestigious REIA President's Award will be announced on the evening.

Finalists are all previous winners of State and Territory REI Awards. They include:

Large Residential Agency

Independent Property Group, ACT
L.J. Hooker Darwin, NT
Morton and Morton, NSW
Philip Webb Pty Ltd, Vic
PRD Nationwide Hobart, Tas
Toop and Toop, SA
Queensland nominee, TBA*

Small Residential Agency

41 Degrees, Tas
L.J. Hooker Roleystone, WA
River Estates First National, SA
Queensland nominee, TBA*

Commercial Agency

CB Richard Ellis Canberra, ACT
Colliers International, NSW
Colliers International, Vic
Commercial FN Perth, WA
Commercial SA Property Group, SA
Knight Frank Darwin, NT
Queensland nominee, TBA*

Residential Salesperson

May Dunlop, Raine and Horne Darwin, NT
Simon Kersten, Colliers PRD, NSW
Mark Larmer, Independent Property Group, ACT
Sam Saffioti, L.J. Hooker Roleystone, WA
Brett Scott, Hodges Brighton, Vic
Peter Veitch, Toop and Toop, SA
Jeremy Wilkinson, Harcourts Tasmania Queensland nominee, TBA*

Commercial Salesperson

Stephen Bowrey, Colliers International, NSW
Evan Florinis, Commercial SA Property Group, SA
Luke Hunter, Knight Frank Darwin, NT Queensland nominee, TBA*

Residential Property Manager

Mitch Elton, Elders Real Estate Palmerston, NT
Luisa Falciglia, Elders City Plus Real Estate, SA
Nichole Jones, Giles Jones First National, WA
Hayley Mitchell, Hocking Stuart South Yarra, Vic
Alexandra Scott, Top Notch Property Management, ACT Queensland nominee, TBA*

Commercial Property Manager

Mario Bonomi, L.J. Hooker St Peters, SA
Ferdinand Lengyel, Colliers International, NSW Queensland nominee, TBA*

Business Broker

John Blacklow, Knight Frank, Tas
Karli Dunham, P&S Business Brokers, Vic
John Trafford, Dale Wood Business Sales Consultancy, SA
Queensland nominee, TBA*

Buyer's Agent

Trevor Dunkley, Property Wizards, WA
Rich Harvey, Property Buyer, NSW
Frank Valentic, Advantage Property Consulting, Vic
Queensland nominee, TBA*

Achievement

Trent Docherty, Cunninghams Property, NSW
Jacqueline Dwyer, McGrath Estate Agents, NSW
Sam Eimerl, Independent Property Group, ACT
Andrew Potts, Independent Property Group, ACT
Anthony Stevens, Woodards Real Estate, Vic
Jake Towns, Petrusma Partners Hobart, Tas
Troy Tyndall, Toop and Toop, SA
Queensland nominee, TBA*

Innovation

Compton and Green Real Estate, Vic
Independent Property Group, ACT
Ray White Double Bay Group, NSW
Realmark, WA
Toop and Toop, SA

Communications

Brock Harcourts, SA
Charlotte Peterswald for Property, Tas
Compton and Green Real Estate, Vic
Independent Property Group, ACT
Morton and Morton, NSW
Realmark, WA

Community Service

Independent Property Group, ACT
James Dack, McGrath Estate Agents, NSW
L.J. Hooker Devonport, Tas
Nelson Alexander, Vic
Phil McMahon, Phil McMahon Real Estate, SA
Summit Realty South West, WA
Queensland nominee, TBA*

**Queensland nominees were not yet announced at the time of press.*

Registration to attend the 2008 REIA National Awards dinner can be made online at: <http://www.reia.com.au/nationalawards/index.asp> ♦



Effective

market

REAL ESTATE AGENCIES SPEND THOUSANDS OF DOLLARS A YEAR ON MARKETING. BUT TO MAKE IT EFFECTIVE, YOU NEED TO DO MORE THAN JUST THE OCCASIONAL LETTER BOX DROP.



ing

The *Real Estate Journal* has compiled some advice from the experts on how to get the most out of your marketing – for your brochures, radio and internet advertising, and for auction campaigns.

To find out more, read on. It will help to grow your business!

10 ways to get more listings

MAKE THE MOST OF YOUR LETTER BOX DROPS BY ENSURING YOUR MARKETING MATERIAL STANDS OUT FROM THE CROWD.



BY DOUG MALOUF

YOUR SUCCESS IN REAL ESTATE DEPENDS ON YOUR ABILITY TO SECURE LISTINGS. IF YOU HAVEN'T GOT THE LISTING, YOU CAN'T SELL THE PROPERTY.

HERE ARE SOME TIPS ON MAKING THE MOST OF YOUR PROSPECTING.

1. Set up a client contact system

These days it's simple to aid your failing overloaded memory by using electronic diaries and portable electronic notepads – and most successful sales people don't leave home without them. However, we're all different and if operating the DVD terrifies you, a simple way would be to keep a contact card system. Cards have the additional benefit of being filed and can sit unobtrusively for years if that's the time frame between actual transactions with a particular client. An electronic device may fail you; a card will never fail you.

2. Call your contacts regularly

A client contact system will only work if you are systematic in your approach. As you make each call, you should note the date and result of the call on your client contact card, and log the date of the next call on your card.

Each call you make is a business call. You are looking for listings. You know that. Your contacts know it too. And they'll understand you: you have a job to do and you're just trying to do it as well as you can. But if they feel that you are just using them, you won't get very far. So make sure you acknowledge them personally. Make small talk and personalise the conversation by

reference to your cards. Outline your reasons for calling and treat everybody with the same courtesy.

Be organised and consistent. It pays off. It sounds easy, doesn't it? In practice it's hard work. If you make 15 calls and get nothing, some people will give up. They'll say it doesn't work. That it's a waste of time. Let me assure you that it is not a waste of time. My experience is that 20 calls a week will bring two or three listings a month. That's 20 to 30 listings a year.

3. Use business cards effectively

There's nothing new about business cards, of course. But very few people use them properly. People will only use your card if they need the service you offer. Your card has to be in the hands of the right people when they need what you are selling.

Ask the people in your network if they'd be willing to hold a stack of your cards. Some won't agree. But most will. Leave your card where you spend your money: with your mechanic, your hairdresser, at the gym. Leave them with your professional contacts: your accountant, your lawyer, your car dealer.

You can also do a letter box drop of a locality where sales seem likely. Sit down and write a personal message on the back of each card, for example: "Buying, selling, leasing? Think of me."

4. Letter box drops

I've used letter box drops extensively – and learned from the experience.

YOU MUST BE CREATIVE AND BE DIFFERENT WITH YOUR LETTER BOX DROPS. HOWEVER OLD FAVOURITES LIKE FRIDGE MAGNETS AND CALENDARS ARE STILL EFFECTIVE.

- Random letter box drops DON'T work.
- Organised letter box drops DO work.
- Persistent letter box drops that are efficient work even better.

Plan your drop. Somewhere in your office you should have a map of your sales market area. If you don't, pick up a phone and order one. Circle your target sales zone based on where you've been making the most listings in the past 12 months.

When do you do it? To make this decision sensibly, you must first do a little research of your own. Check your own letter box for a month. Record the amount of junk mail you receive. Identify the busy days. Then make sure your letter box drops go out on the least busy days.

There's something else you should know. The letter box drop can be pretty and personal and still bring no result. So the second thing to do is to be persistent. Your response rate from a drop of 3,000 items will probably be zero. Not one enquiry. Don't worry! If you do a second drop six weeks later, the chances are that your phone will start ringing.

Of course, what you put in the letter box matters. You must be creative and be different with your letter box drops. However old favourites like fridge magnets and calendars are still effective.



5. Use your local newspapers

If you get your name in print, many people will immediately regard you as an expert, a leader in the field.

Remember what editors want. They will be looking for copy that will interest or entertain their readers. Think about it from that point of view. Offer them press releases on interesting events in the real estate world: record sales, a new development, a sale that's different. Or write a brief article offering advice to the public on buying or selling property.

6. Get onto radio

Radio is a basic part of the way we live today. So if you can get a bit of broadcast time on any radio station, you will be doing yourself a lot of good. You'll reach a lot of people. And you'll build your reputation as an authority in the field.

Radio stations usually have a range of experts offering advice to their listeners. Why not be the local real estate expert? Make sure that you have something interesting to say, you say it with authority and you keep it topical.

7. Use signs effectively

Surveys have shown that 15% of all listings come from signs. Make sure that signs are placed for maximum exposure. Don't just plant a sign in front of a property and walk away. Look at the sign from the other side of the street. Drive around the block and see if it's visible from your car.

There's one thing better than a 'For Sale' sign on a property. It's a 'Sold By' sticker on the sign. As soon as the property is sold, make sure that you let the public know that you did it. The sign won't be there forever. Use it while it is.

8. Make the most of Open Houses

An Open House is a marketing strategy. It is designed to attract potential buyers, but it can also be made into an occasion to make contact with potential sellers, too. The idea is to make the Open House a special event.

Remember that you are on show. Make sure that everything is well organised.

Ask the neighbours. One day they'll be sellers too. Make sure they have the chance to see how you operate.

Make personal contact with everybody. Don't talk too much. Let the visitors

ask the questions. Stop, look and listen! Then you will be in a better position to decide which people are likely to welcome a follow-up call and which ones are 'just looking'.

9. Don't sell and forget

Six or seven weeks after the sale, re-establish contact. Call on your clients and take a small 'housewarming' gift, keyring or calendar. Let them know you care about them as people.

Think about your area and what specialty service you can offer that's unique and will make you memorable.

10. Promote your company image

A company's reputation accounts for 20% of all listings. So it's essential that your company's image in the market place is one which is highly visible and greatly respected. Listings come from image. That's the truth.

Take pride in your window display. Keep it clean. Keep it modern. Make sure it grabs attention. Change it at least every 14 days.

Think about the car you use. You don't need a Rolls Royce. On the other hand, a 1978 Kingswood won't inspire confidence in your clients. Your car should have three basic characteristics:

- It should be a recent model, the car of a successful professional.
- It should be reliable.
- It should be immaculate.

Set listing goals

Remember that listings are the lifeblood of your work. Set yourself goals and work towards them.

Lastly, let me share this secret with you: there is no silver bullet, no one thing that will give you more quality listings. It's a combination of all of the above. So be persistent and you will ultimately be successful.

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.

*The above article is based on an extract from his book *The Real Estate Sales Survival Kit 3*, which is available for purchase from the REINSW Sales & Supply Centre. For more information, call (02) 9264 2343. ♦*

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BY DAVID CROMBIE

THE AGENTS WHO WILL SUCCEED ARE THOSE WHO LEARN TO USE BOTH TRADITIONAL FORMS OF MARKETING AND THE CHANGING ONLINE ENVIRONMENT EFFECTIVELY.



NEARLY EVERY AGENCY HAS THEIR OWN WEBSITE AND LISTS PROPERTIES ON ONLINE PORTALS, BUT JUST PUTTING CONTENT ON THE WEB DOESN'T MEAN THAT IT WILL BE EFFECTIVE. TO MAKE THE MOST OF ONLINE MARKETING, AGENTS NEED TO UNDERSTAND HOW TO BEST REACH CONSUMERS ON THE INTERNET.

Link your offline and online marketing

'Offline' marketing refers to the traditional marketing methods such as newspapers, signboards, brochures etc. This form of marketing is more brand-oriented.

'Online' refers to the internet, email and the growing areas of social media and user-generated content, such as Facebook and blogs. The leading agents are already using these tools. Sign up to facebook.com and perform a search for the word 'realtor' to see for yourself.

To capture all types of consumers – whether they be technology-savvy Generation Xs and Ys or from the generations over the age of about 40 – you will need to have both types of marketing working together. Your print marketing should build your brand and drive consumers online, while your online marketing should provide an information-rich experience

that will ultimately make consumers want to contact you when they are ready to buy, sell or rent.

Property portals

Real estate portals are about maximising distribution in the online world. You place your listings there in the hope of obtaining a greater level of exposure.

Many agents place their listings on these portals because they know it's essential these days, yet they don't have any real understanding of whether it is effective for them. It's useful to track your level of enquiries from your listings on property portals. By this I don't just mean the page view statistics that you are provided, but also phone calls and email enquiries.

While some portals provide a very good service on a national level, real estate is a local matter. As the internet continues to grow and it gets harder to find what you are after, I think we will see more specialised and geographic-specific sites emerging.

For example, realestateworld.com.au targets people interested in the NSW market, and on each listing there is a suburb profile that provides information on the immediate area.

Make your own site effective

The internet is not just a marketing tool but is an information-gathering tool for vendors, buyers, landlords and tenants. Good quality content is the key to a good website.

Consumers want to see images and the more the better. Effective websites have pictures and headlines that grab consumers' attention, otherwise they are not likely to click through to view the details of the listing.

Video will play an increasing role in years to come, not only for listings, but for marketing your services and even testimonials. Once again, this is tied back to the generational change.

Do a search on the words real estate sydney on YouTube.com and you will see what I mean.

Social networking tools such as blogging will also play an increasing role, from both an online profile and communications perspective.

Help your site to be found

You can have the world's best website but if you want consumers to go there then you will have to invest time and money on the following:

1. Participating in blogs and social networking sites.

2. Online advertising that not only builds your profile online but also directs people to your site and listings, such as the agents' banner ads on realestate.com.au when you do a search for a particular area.
3. Search Engine Optimisation (SEO). This involves setting up and tweaking the code and content of your site, to make it more relevant and friendly to search engines. SEO is not something that is done once, it is an ongoing process. You will need to constantly review your site because search engines change their ranking algorithms on a regular basis.
4. Search Engine Submission (SES). This involves submitting your site to the major search engines either manually or using a tool. A few years ago this was the done thing but while we still do this we now rely more on SEM.
5. Search Engine Marketing (SEM). This is about driving traffic to your site. With over 64% of searches for the words 'real estate' and related terms being performed on Google, Google Adwords is money well spent. We have some agents spending as little as \$30 a month and I know of agents spending in excess of \$1,000 a month on SEM with Google.

WITH OVER 64% OF SEARCHES FOR THE WORDS 'REAL ESTATE' AND RELATED TERMS BEING PERFORMED ON GOOGLE, GOOGLE ADWORDS IS MONEY WELL SPENT.

To see an example of SEO, SES and SEM working, do a Google search on the words 'real estate oak flats'. The listing for Dougmal Oak Flats in the normal search results is as a result of SES and is free. To obtain a high ranking here SEO is important.

The advertisements in the sponsored links for Dougmal Oak Flats and realestateworld.com.au is as a result of SEM. Basically the way this works

is that you set a maximum cost per click that you are willing to pay if someone clicks on your advertisement, based on how much you bid. Your daily budget determines where and how often you appear.

Don't miss out

In less than a decade, technology has created a whole new way of marketing properties. There are ideas on the horizon that will see this change continue at an even faster pace.

The agents who will succeed are those who learn to use both traditional forms of marketing and the changing online environment effectively.

David Crombie is CEO of Estate Agents Co-operative (EAC), which assists agents in the management and marketing of their listings and their office through web design services and the Red Square listings software. EAC is also part of the realestateworld.com.au joint venture with REINSW. ♦



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Low cost ideas



BY CRAIG HESSE

WITH AGENCY COSTS CONSTANTLY ON THE RISE (PARTICULARLY ADVERTISING EXPENSES), IT IS CRITICAL FOR THE ASTUTE REAL ESTATE PRACTITIONER TO MONITOR THE COST AND EFFECTIVENESS OF ALL ADVERTISING.

When doing your research on the market place, you need to know what is working and what isn't. This is best achieved by monitoring all sales enquiries received and recording the information over a period of time. This

information should be recorded on a central enquiry log at reception or a computer-generated system that all staff can access to show the date and source of the enquiry.

The research may indicate that certain advertising such as expensive glossy newspaper and magazine publications – which are probably most of your budget – may not be cost-effective compared to other methods used. If this is the case, the following

suggestions could be implemented as low cost marketing strategies:

- Reduce the amount of gloss advertising and revert to a cheaper magazine/paper if appropriate. Be sure to check the publications' circulation and monitor the enquiry level. Obviously the demographics of the area is important before making this decision, for example in a prestige suburb where expectations are high you wouldn't want to give your competition an edge by being the only one not in the local glossy publication.
- Ads in the Yellow Pages – Is the size of the ad effective for the cost? Would you achieve the same result from a smaller ad?
- Free advertising – Submit weekly editorials to local publications as they are always looking for new information.
- Networking – Leave brochures in stands at your network locations such as motels, service stations and banks.
- Get internet links on other websites within your network which direct people to your site.
- Consider a small sponsorship of community or sporting groups. This could include advertising on shirts, banners at sporting fields etc.
- Increase your letter box drops by producing A5 booklets in black and white or A4 flyers using spot colour, for example black and white text on company colour letterheads.
- Host event nights at your office or a suitable venue, for example a first home buyers night promoted through your office and network group.
- Produce an inhouse monthly newsletter with 'best buys' and send to everyone on your client database, including clients, prospects, referrals, suppliers, networking contacts and friends.

Craig Hesse is an experienced real estate agent and full time, qualified trainer with REINSW Education & Training. ♦

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Think local, act local radio



BY RALPH VAN DIJK
CO-FOUNDER, EARDRUM AUSTRALIA

THERE IS A REAL OPPORTUNITY FOR THOSE IN THE REAL ESTATE INDUSTRY TO MAKE MORE OF THE UNIQUE RELATIONSHIP RADIO STATIONS HAVE WITH THEIR COMMUNITY.

It's official. Radio is our friend. We take it wherever we go even if that's just from the bathroom to the kitchen. There are few other forms of media that have such a positive role in people's lives – keeping them company, giving them information and allaying feelings of loneliness or isolation.

Yet when we use it to advertise, we often revert to shouting information over a cheesy jingle. That's no way to treat a friend.

The media rationale is clear as you can reach a well-defined audience at a relevant time and place – on weekdays as they plan their house hunting and on the weekends as they drive from one open home to another.

Trust me, I'm a radio ad

Radio is powerful because it's like personal advocacy. It's like a friend saying: "Have you seen ----?"; "You should try ----"; or "What about ----?". There is a certain glossiness to

other forms of media, which can take the advertising a step away from you. With radio it's like a recommendation from a trusted friend.

Radio and newspapers

To some extent radio and newspapers have similar strengths. Both offer exceptional flexibility, with short lead times, variable copy size/length and geographical flexibility.

However, unlike newspapers, radio is a 'low avoidance' medium. Because people listen to radio while they're doing something else, they are less likely to change channels when the ads come on. This makes it very effective at reaching 'out of market' consumers.

This is particularly relevant for the real estate industry where there are clear barriers to engagement or where there is a long purchase cycle.

Competitive edge

For the real estate industry, radio is still relatively under-exploited, leaving opportunities for ambitious brands to dominate the medium.

On average, listeners spend about a third of their 'media day' with radio, so any brand which dominates the medium is likely to dominate that one-third of the media day.

Your message

The biggest variable is the message itself. To get this right, you need to know what makes radio unique. The most obvious difference is that it's the only medium where the pictures are

supplied by the listener's imagination, not the advertiser's.

First you need to get the listener to 'zone in' to your commercial, particularly as 90% of listeners are doing something else while listening. Radio presenters are trained to speak as if only to one person, because that's how listeners like it – one to one. This closeness is incredibly powerful and listeners are very sensitive to the way they are being spoken to. In short, casting the right voice is crucial because it's not what you say, it's the way you say it.

Radio isn't as formal as written words. It isn't distant like billboard advertising. It's very much on the human level, and when advertisers say something to the listener, you can bet they're saying something back (either verbally or just in their heads).

Even when people are inattentive, radio leaves trace memories in their minds; this is how pop music becomes familiar even if you don't really listen to it. Ads are the same, and leave both musical and emotional traces.

This means the tone of the ad is crucial, because it's creating brand impressions in an audience far wider than simply those who are ready to buy now. This is important to remember when deciding what information to include.

Ears are highly sensitive to genuineness. If you try to over-claim ('The largest property list in town'), listeners won't believe it. If production isn't convincing,

listeners don't believe in the story and won't be engaged.

Useful tips

Here are some tips that will make the relationship with your radio writer easier, and hopefully lead to more engaging and effective radio advertising.

1. Optimise the radio brief

Make sure it's clear and simple. Be clear about the tone of voice you want in the ads and how you want your brand to sound.

2. Judge radio ideas carefully

Accept that the ideas on paper can be hard to interpret. Ask for the script to be brought to life and sign off the approach or idea, not just the words.

3. Avoid the traps

Beware of ads with 'nice people saying nice things' as this leads to very unengaging radio. Employ some kind of story, as stories have dramatic tension. Remember, consumer benefit beats product feature every time. Don't talk about yourself, concentrate on what you can do for the listener.

Eighteenth century writer and composer Eta Hoffman said: "Hearing is seeing from the inside". When you think of radio in this way, you realise there is so much more to it than the right quality at the right price.

Commercial Radio Australia offers a range of services to help those wanting to advertise on radio, including ideas, case studies, ratings information and advice. For more information visit www.commercialradio.com.au and go to the Advertising on Radio section. ♦

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Auction marketing



BY KATE LUMBY

AN AUCTION CAMPAIGN IS ONE OF THE BEST MARKETING TOOLS FOR YOUR AGENCY. IT WILL BUILD YOUR BUSINESS BY STREAMLINING YOUR OFFICE PROCEDURES, INCREASING YOUR EFFICIENCY AND RAISING YOUR AGENCY'S ENERGY AND PROFILE.

MANY REAL ESTATE OFFICES STRUGGLE TO IMPLEMENT AUCTION CAMPAIGNS. HERE ARE SOME MARKETING TIPS ON HOW TO ACHIEVE A TRIUMPHANT RESULT ON THE DAY.

Making the decision

Auction is a well established, proven marketing strategy for selling property.

Be clear on why auction is a good choice as a marketing method. You will need to be prepared to overcome any objections or hesitations by the vendor. You as the agent need to feel comfortable and confident about marketing by auction.

A common misunderstanding is that only unique, unusual or prestige properties are suitable to be auctioned. In fact, all properties can be marketed for auction. It is better when there are similar properties that have sold or are for sale, because buyers have properties to compare with and make up their own minds on what they will pay based on what they have seen.

Preparing for the campaign

Together with the vendor, identify who the property will suit best. Determine your target market, for example first home buyers, investors, families etc. Determine where you will most likely find these buyers, for example on the internet or in the local area.

Decide on what advertising you will prepare and where you will place this. Give vendors a choice and clearly outline the costs.

Provide your vendor with a set timetable and plan of events so that they know what is happening every step of the way. This leaves no guesswork. Activities should be pre-scheduled and confirmed.

Make the campaign three or four weeks; any longer and buyers will lose interest.

Conducting the campaign

Follow an auction checklist. Every agency should have a set procedure for an auction campaign so you don't miss anything out! This allows you to monitor and review your marketing campaign and make adjustments where necessary. Have clear instructions and keep the vendor fully informed as all the work is carried out well before auction day.

Each week prepare written reports and letters for your vendor to educate them about where their property fits into the market and what they should expect on auction day.

Create urgency in your advertisements. Auction marketing works by creating a deadline for both buyers and vendors. The condensed marketing period creates high-impact advertising and public interest. Never say "unless sold prior" in your advertising, as this reduces the sense of urgency and if the property has not sold prior to auction day, can create the perception that there was a lack of interest. Don't quote a specific price for the auction property, but instead quote comparables.

Follow up on the buyers consistently. Discover how familiar the buyers are with the auction process and assist them with sourcing any additional requirements for them to bid on the day.

Send out written invitations to the surrounding area for the open for inspections and to the auction. Personally invite all the neighbours. This will help to ensure the 'opens' are a hive of activity and that the energy is humming on the auction day. This strategy will also help to build your client database and your referrals.

At the beginning of the campaign clearly schedule how and when feedback will be delivered. Manage vendors expectations by making contact after all inspections, pre-scheduled weekly vendor meetings, weekly written reports. Keep your vendor close and fully informed so they are educated and able to make a clear decision on auction day.

On the day

End with a bang! Here is the chance to showcase your brand, raise your profile and gain more business. Ensure your team is professional, well-informed and all delivering the same message. Be a united front. On the day and after the auction visit the neighbours and follow up with 'just sold' brochures to the surrounding area.

Afterwards

Follow up the under bidders and the onlookers – they are some of the strongest buyers in the market.

Auctions also quickly sort out the vendors that are committed to selling and serious about getting the job done.

By embracing the auction system and following the above steps in your agency, you will ultimately win more business. Increase your efficiency, profile, results, energy and income!

Kate Lumby is an accredited auctioneer and real estate trainer, with her own auction business, Auction Action. She is a Director of the REINSW Board and is the Chairperson of the REINSW Auctioneers Chapter Committee, whose members assisted with the preparation of this article.

If you need any questions answered or help with your auctions, please email the REINSW Auctioneers Chapter c/o Tracey Lucas: tlucas@reinsw.com.au ♦

PROVIDE YOUR VENDOR WITH A SET TIMETABLE AND PLAN OF EVENTS SO THAT THEY KNOW WHAT IS HAPPENING EVERY STEP OF THE WAY.

Why auction?

Benefits for the vendor

- Creates competition amongst buyers.
- Buyers are ready and prepared.
- Contracts exchanged on the day.
- A set timeframe to work towards. Sellers can begin packing and organising their move.
- A deadline creates urgency amongst buyers.
- No price is disclosed and therefore the buyers are not prejudiced by a set expectation of price.
- A clearly detailed marketing plan.
- Leaves no doubt in the vendors' minds about whether the property ultimately achieved the best result.
- The process is transparent – everyone has an equal opportunity to bid and buy.
- Vendors can sell prior, on the day or afterwards.
- If not sold on the day, you have a clear idea of who the other interested buyers are.
- Concentrated attention and effort from agents.

Benefits for the agent

- Increases your efficiency, time and number of sales.
- Helps to identify the genuine buyers.
- Creates more contacts and referrals.
- More exposure for your brand.
- Creates a higher profile for the agent.



HERE'S HOW AGENTS HAVE APPLIED SOME EFFECTIVE MARKETING IDEAS TO THEIR BUSINESS.

Memorable letter box drops

Kylie Segedin from L.J. Hooker Mona Vale makes sure that the agency's letter box drops are memorable.



Rather than simply passing out a brochure on the agency, each letter box drop has a special theme.



"For Australia Day, we purchase plastic flags and have our card stapled to it," she said. "It's a nice way of getting into the spirit of the day, and also keeping our name at the top of people's minds. We have been doing it for about 12 years. It's very effective. We get really good feedback.



"At Easter we tend to do a colouring competition and kids can win a basket of Easter eggs. That's really popular. We get a lot of entries.

"In Spring we drop packets of seeds.

"For Christmas we do a letter box drop with a Christmas decoration, such as a Christmas bauble. Last year we handed out a CD with Christmas carols."

The agency also does a standard letter box drop of a calendar for the fridge, but they do it in June – and with a local flavour. As many local residents are involved in water sports, the calendar also includes a tide chart.

"A lot of people use the tide chart for fishing or surfing," she said.



CREATIVE LETTER BOX DROPS FROM L.J. HOOKER MONA VALE



JASON GUILDEA'S LEAFLET THAT HE HANDS OUT IN LETTERBOX DROPS.

Classy leaflets

A standard leaflet from a real agency might include a picture of a property with "Sold for \$XXX,000" written above it, with words to the effect that the agency is the biggest or the best.

Jason Guildea from Raine and Horne Seaforth takes a different approach.

His leaflet does not list a single successful sale. Nor does it list any awards the agency has won or state that the agency believes it is the best.

"Everyone says 'we have just sold this property and aren't we wonderful,'" Jason said. "We are just trying to provide information that will make us stand out."

The A5 size leaflet has a gorgeous picture of the area on the front with the words "Integrity – Honesty – Ethics". Turn the page and it provides a list of "Seven things vendors want from their selling agent".

The focus is on what the vendor wants, not what the agency thinks about itself.

The leaflet also promotes six properties that are currently for sale – not properties that have already sold. Jason said this provided an added incentive for vendors to list with the agency because the letter box drop is another form of promotion for their property.

"It's not about us saying we're the biggest or the best. It's proving that we can provide customer service," he said.

"IT'S NOT ABOUT US SAYING WE'RE THE BIGGEST OR THE BEST. IT'S PROVING THAT WE CAN PROVIDE CUSTOMER SERVICE."

Twilight open for inspections

Karl Timms from McGrath Estate Agents at Edgecliff fervently believes in the effectiveness of holding 'twilight' open for inspections for all types of properties. These are on weeknights, from about 5pm to 6pm during winter and about 6.30pm to 7.30pm in summer.

"The reason for that is many of my buyers coming through are normally at home at 5.30 or 6 at night," he said. "They are not normally at home at 10 or 11 on a Saturday morning. They are with the kids or out shopping or working."

Not only is the time more convenient for many buyers, but a twilight open for inspection provides a different atmosphere for the property.



"There's a real 'homely' feeling," Karl said. "You put a couple of lights on, you have sounds in the background. We often have the TV turned on, or some nice music. The mood is set for somebody to feel as though they have come home from work where they can relax and they are in a special place." While Karl makes good use of lamps and lighting, he avoids candles due to the fire hazard risk.

Before the open for inspection, Karl door-knocks the other houses on the street to give them the opportunity to come along. "They are normally people who love the area. I know they are not going to buy the property, [but] they are going to talk to maybe three or four of their friends about it."

Simple but effective website

Barbara Wall makes sure her website is extremely user-friendly and professional, and for good reason: she runs an internet-based agency. Without a shop front to attract passers-by, she relies on the website to source listings and buyers.

After researching web designers, she chose PortPlus to design the site: www.walltowall.net.au. The home page has a clean, professional look, with only a handful of simple options for consumers to choose from. By removing the clutter, the pages make it easy for people to navigate.

The site also includes a mapping search that locates properties on a map.

Barb made a conscious decision not to include virtual tours of properties. "We believe photos are more effective than virtual tours. We have professional photos taken for all listings."

By running a web-based real estate agency, Barb said it was also easier to track the levels of interest for the various properties. "We say to vendors: we can tell you exactly how many people 'looked in our shop window' this week and how many people zeroed in on your property." ♦

Until now, utility connection services only looked after your rental division. Direct Connect has changed all that.

We offer our members:

- 1 The option to use Australia's only secure web-based system for the fastest, most efficient rental connection service on the market.
- 2 Heavily discounted electricity, gas and telecommunications for your offices, homes and the homes of your employees of your agency.
- 3 Guaranteed highest connection commissions in the industry (we will match or better any competitor's genuine rates).
- 4 Your own dedicated local relationship manager available to support you 7 days a week.
- 5 A specialised connection product for clients buying and selling property - Platinum Connect.
- 6 The only on-line reward system with over 5,000 products and a pre-paid visa card for your use.
- 7 The most comprehensive legal protection for your clients and your agency.
- 8 A specialised connection product for Agents with commercial properties - Business Direct.
- 9 The opportunity to contribute to the local charity of your choice by using our Platinum Connect service.
- 10 A connection service with over 50 years experience in the utility industry and highly trained customer service staff.

To inquire how you can bring these benefits to your agency, call 1300 664 715 now.

Direct Connect

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Red alert



ANDREW COGHLAN, NATIONAL MANAGER EMERGENCY SERVICES FOR THE AUSTRALIAN RED CROSS AND KEITH SUTHERLAND, CHAIRMAN OF THE FIRST NATIONAL FOUNDATION.



Local heroes at First National offices around Australia will combine their efforts for a national week of fundraising from April 11 to 18.

First National agents can come up with their own ideas for fundraising, and they are proving to be an innovative lot. One agent plans to donate \$500 from his commission on every sale, while other offices are organising charity auctions and barbecues, and one is planning a Black and White Ball!

All funds raised will go to the First National Foundation, in support of the Australian Red Cross Emergency REDiPlan project.

The fundraiser is being coordinated by the First National Foundation, which was set up last year as a way to unite the efforts of individual agencies towards a common goal.

FIRST NATIONAL'S FUNDRAISING EFFORTS WILL BE TARGETED SPECIFICALLY AT RED CROSS DISASTER PREPAREDNESS AND RELIEF INITIATIVES IN AUSTRALIA.

"In the past, First National members have been involved in various fundraising activities throughout Australia but invariably their results were never publicised," said Keith Sutherland, who chairs the Foundation.

Keith himself has been involved in fundraising for years. As Principal of

Tweed Sutherland First National in Bendigo, Victoria, he has championed many causes for his local community, including recently helping to organise a 'competition' among local lawyers, accountants and real estate agents called 'Clash of the Suits' to see who could give the most blood.

"THIS PARTNERSHIP WILL WORK DIRECTLY TO ASSIST LOCAL SUBURBS, TOWNS AND REGIONS TO BECOME STRONGER COMMUNITIES."

He has now taken those fundraising skills to a national level with the First National Foundation.

"The Foundation's Board of Directors was charged with the responsibility of finding the Foundation's first charitable partner," he said.

"A thorough and considered search was carried out. It had to be something national, something relevant to us all and something complementary to our businesses.

"Importantly, it also had to offer members strong promotional possibilities and scope for direct and meaningful community involvement."

On July 1 last year, First National commenced a three-year partnership with Red Cross. The real estate group committed to raising \$1 million each year, earning it the status of Red Cross National Humanity Partner.

"Red Cross ranks as one of the top three most recognised brands in the world and recent research conducted in Australia showed Red Cross to be

one of the most trusted and respected charities in the country," Keith said.

While Red Cross provides a wide range of humanitarian services both at home and overseas, as well as operating the Blood Service, First National's fundraising efforts will be targeted specifically at Red Cross disaster preparedness and relief initiatives in Australia.

Red Cross volunteers have been kept busy over the past few months assisting people in northern New South Wales and Queensland whose homes and businesses have been inundated by floods. They have also provided meals to emergency services personnel fighting bushfires in Victoria and visited families in Sydney whose homes were damaged by the hailstorm last December.

As part of Emergency REDiPlan, Red Cross is producing fact sheets on a range of emergency-related topics to provide important advice and help people cope, such as providing tips for drying out flood-affected houses.

The First National Foundation is working with Red Cross to help communities to be better prepared for emergencies. Proudly supported by the First National Foundation, Emergency REDiPlan will combine community information and education initiatives to help households and communities to prepare for, respond to and recover from emergencies and disasters more effectively.

"This partnership will work directly to assist local suburbs, towns and regions to become stronger communities," Keith said. "It's a wonderful opportunity for First National members to not only support a worthy cause, but also elevate their own community profile and differentiate the First National Real Estate Group."◆

Cultural change



BY JO-ANNE HAMILTON

HOW DO YOU CHANGE YOUR COMPANY CULTURE? FIRST YOU NEED TO FIND OUT WHAT THE EMPLOYEES UNDERSTAND TO BE THE 'WAY WE DO THINGS AROUND HERE'.

'Culture' is a word we so often hear used in reference to organisations these days. When a business is successful, 'a strong culture' is often cited as the key determinant of its performance. A business that is unsuccessful may equally be described as having a 'weak' or 'toxic' culture. One of the key contributors to the 2003 Columbia Space Shuttle disaster has been cited as the prevailing NASA culture. But what does 'culture' actually mean, and why is it so important to your business?

The word originates from the Latin words *cultura* (cultivate) and *colere* (to care for). The idea of culture originated in the study of botany, where it referred to the process of cultivating plants. All human societies have their own culture, in terms of a system of meaning that guides the construction of reality and distinguishes one community from another. To survive, a culture must ensure that its individual members internalise its values, beliefs and norms. Organisations are no different than other communities in society, in fact it might be said that culture is the symbolic glue that holds organisations together ... or causes them to fall apart.

Intent and reality

Though an organisation might work hard to convey the desired values and

WHILST MANAGERS WANTED CULTURES THAT ENCOURAGED CREATIVITY, INITIATIVE, CO-OPERATION AND TEAMWORK, CUSTOMER FOCUS AND COMMITMENT, THE CULTURES THAT ACTUALLY DEVELOPED MORE OFTEN ENCOURAGED NASTY POLITICS, INDIVIDUALISM, AVOIDANCE OF BLAME AND UNWILLINGNESS TO COMMIT.

behaviours expected from its employees, there is often an identifiable gap between intent and reality.

Research in 2004 showed that in each of the 900 Australian and New Zealand organisations surveyed, a serious gap existed between the preferred (desired) cultures and the actual operating cultures existing in the organisations. Whilst managers wanted cultures that encouraged creativity, initiative, co-operation and teamwork, customer focus and commitment, the cultures that actually developed more often encouraged



nasty politics, individualism, avoidance of blame and unwillingness to commit.

Unwritten ground rules

One important aspect of an organisation's culture which explains this gap is its unwritten ground rules (UGRs). Australian author Steve Simpson in his book *Cracking the Corporate Culture Code* says UGRs are a powerful force that dictates behaviour in any team or organisation. They represent the difference between words and actions and quickly become people's perceptions of 'the way we do things around here'.

Understanding the concept of unwritten ground rules helps explain why many corporate vision, mission and value statements, policies and procedures don't necessarily produce the result for which they were designed. Rather than comply with the well-crafted words in the mission statement or carefully documented policies, employees will naturally follow

the unspoken, expected patterns of behaviour that exist in their organisation.

For example, the value statement may be that the organisation strives to provide excellence in customer service, yet the prevailing culture in the organisation may be 'near enough is good enough'. Or, whilst the corporate values might cry 'we support each other', the manager might become irritable if interrupted and is frequently unavailable to staff. The term 'empowerment' may be thrown around, yet the first thing that meets the employee who sticks their head up above the crowd is the sound of a swinging axe, rather than applause.

Though UGRs drive people's behaviour, they are rarely – if ever – discussed openly. Instead, they are part of the core beliefs and assumptions of the organisation.

How to change your culture

To successfully change a culture, it is necessary to address the UGRs.

Communication consultant Kim Harrison from Cutting Edge PR suggests in *Beware your organisation's Unwritten ground Rules* that you get your team together, explain the concept of UGRs and ask them to finish some 'around here' statements for key aspects of their activities, such as:

- Around here, customers are ...
- Around here, complaints are seen as ...
- Around here, being open and honest gets you ...
- Around here, when you criticise the boss ...
- Around here, when it comes to spending money

Once you have identified your UGRs, says Harrison, you can harness the good ones and work on developing

RATHER THAN COMPLY WITH THE WELL-CRAFTED WORDS IN THE MISSION STATEMENT OR CAREFULLY DOCUMENTED POLICIES, EMPLOYEES WILL NATURALLY FOLLOW THE UNSPOKEN, EXPECTED PATTERNS OF BEHAVIOUR THAT EXIST IN THEIR ORGANISATION.

new ones to support any desired changes. Simpson's book recommends that harnessing the positive value of UGRs should involve ensuring that managers 'walk the talk', behaving

in a way that shows their support for the new UGRs, making UGRs a standard agenda item for meetings and monitoring performance against positive UGRs.

If you want to shift your team to a more positive culture that is beneficial to your customers, clients and employees, then consider the benefit of digging beneath the surface to discover your unique UGRs, then work on harnessing a more positive culture for your business. As Simpson says, when the culture is 'right', an organisation has a significant competitive advantage that is impossible to replicate – while systems and products can be copied, culture cannot.

Jo-Anne Hamilton is a trainer with REINSW and also runs her own consultancy business, specialising in property management and communication areas. She has just celebrated 20 years as a licensed agent. ♦

Common unwritten ground rules

- At our meetings it isn't worth complaining because nothing will change.
- The only time anyone gets spoken to by the boss is when something is wrong.
- The company talks about good customer service, but we all know that's all it is – talk.
- The boss tells us we should follow the company procedures, but then he just goes ahead and does what he wants.
- We say that our business treats everyone fairly, but we all know that vendors and landlords are treated like gold, whilst buyers and tenants are treated like second class citizens.
- Company policy forbids it, but we all know its okay to swear or tell a racist or sexist joke in the agency office.

Don't sell your professionalism short ... make sure it's protected

If someone questions your professionalism or claims injury or property damage, the cost of successfully defending your good name, not to mention your business and personal assets, can be crippling.

Are you prepared?

Professional indemnity: covers you for defending allegations of:


- breach of duty of care; contract or legislation
- misrepresentation of a property
- poor property management (i.e. injured tenant; failure to maintain and repair property)

Public liability: covers claims for bodily injury or property damage, including:

- when conducting open house or sales inspections
- incorrectly positioning or erecting 'for sale' or 'for rent' signs
- client or visitor slips and falls in your office

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Apartment living

NOWADAYS HOUSES ARE CONSTANTLY UNDER SCRUTINY FOR WAYS IN WHICH THEY CAN REDUCE THEIR IMPACT ON THE ENVIRONMENT. BUT WHAT CAN BE DONE TO MAKE UNIT BLOCKS MORE ECO-FRIENDLY?

"From being vigilant about the small things to major investments in energy-saving plant and equipment, strata owners can make a significant difference to their building's impact on the environment if they take care to evaluate their own situation," said Paul Morton, Managing Director of Lannock Strata Finance.

"STRATA BUILDINGS ARE REDUCING THEIR ENERGY USAGE WITH MORE EFFICIENT AIR-CONDITIONING, THERMALLY-EFFICIENT WINDOWS AND AWNINGS ..."

He said that previously, strata owners often only thought within their own four walls when considering their unit's impact on the environment, and overlooked the common areas of the unit block.

However savvy strata owners are now thinking more broadly as they realise that the community of owners in a strata building is a very powerful body for making change.



"Strata owners are coming to Lannock for assistance with reducing their energy spend," Paul said.

"Strata buildings are reducing their energy usage with more efficient air-conditioning, thermally-efficient windows and awnings, and others are creating their own electricity using solar technology.

"Strata buildings are also reducing their water usage by installing retention tanks and recycling grey water. Some

buildings are even looking to manage their own sewerage."

He said that the upfront cost of these investments need not be daunting.

"These sorts of projects usually pay for themselves over time if funded sensibly," Paul said. "In fact, money can be saved. And by making your building environmentally-friendly, outside and in, you may be able to increase your net rental and ultimately achieve a greater return on your investment."◆

Tips for making a unit block eco-friendly

Do:

- Engage a professional to report on the specific measures you can undertake in your building.
- Examine the return on investment that you can achieve to help decide on what measure to undertake.
- Have a look at new glazing, double-glazing and window tinting. Modern glass is much more energy-efficient than old.
- Consider installing awnings or other sun shades.
- Install solar panels and new switching gear to make energy savings.
- Install efficient air-conditioning systems. In a building Lannock is involved with, this will reduce electricity costs by 30%.
- Install rainwater tanks for gardening and car washing.
- Install automatic energy savers such as timers on lights.
- Review your building to see if you can look after aspects of your own waste disposal.

Don't:

- Consider eco-friendly items as an expense. They are an investment.
- Ignore the small things. Everything will make a difference.

Optical allusion

Add a touch of style to a room by decorating it with wallpaper that changes colour!

A new type of wallpaper has just been launched which alters hues depending on the light and the observer's line of sight. The 'Glamour' collection from Signature Prints uses unique production techniques and features eight designs from celebrated artist Florence Broadhurst. Combined with a high gloss finish, the result is a

collection of iridescent wallpaper in shades of emerald green, gloss black, fuchsia pink and citrus yellow. Metallic tones add reflective properties.

Prices range from RRP \$350 - \$380 per roll.

See the *Signature Prints Glamour collection* exclusively at stand 130, *designEX 2008 (April 10 - 12)*, Australasia's premier design forum. For more information, visit www.designEX.info.◆



What are your expectations for the property investment market in 2008?



Jon Kelly, Principal Merimbula Realty

With the recent interest rate rise I would not like to say I am optimistic about property sales for the investment market, although I am not totally pessimistic. We are certainly selling well and turning over a lot of property, and some of this is to the investor market.

The area here has a population of under 10,000 with a large number of retirees, cashed up buyers and downsizers. However there are probably over 1,000 rental properties on the market with very few vacant. With this shortage of supply – particularly for quality houses and family homes – rent should be forced upwards, giving future investors a better chance of a reasonable return.



Maxine Devon Stockton Beachside Property

In Stockton, we frequently do have investors purchasing property. As we are a peninsula, three minutes by ferry to the [Newcastle] CBD and surrounded by the harbour, river and ocean beach, this is a popular lifestyle location. Many of our investors purchase prior to retirement and rent the property in the interim period, with a view to re-locating here on retirement.

Our rental market is always strong, and we proudly achieve very close to a nil vacancy factor most of the year, as rental properties are quite sought-after. Considering the majority of the properties are 'older-style' timber homes, we do achieve excellent rents.



Chris Harrison, Principal Chris Harrison Real Estate Randwick

Randwick has been a traditionally stable suburb because of its proximity to beaches, the university and the hospital. We don't seem to suffer too much in relation to the market moving up and down.

Rents have been going up and vacancies are particularly low. Investment returns have begun to increase, but only slightly. In the past I have seen rental returns go from a 5% net return to about 2.5% net. I don't think it will go back to 5% but it is improving.



Gary Dilles, Principal Century 21 The Parks Realty Bossley Park, Sydney

[The property investment market] has been very flat for a long time. It can only grow. We are currently at 5% gross return, which is probably the best we have seen. That's boosted by rents going up, due to the strong demand from tenants.

It's starting to [pick up], but what's keeping the investors from coming back is capital gains tax, land tax, and ongoing expenses.◆

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NOMINATION FORM

2008 Awards for Excellence



AWARD CATEGORIES

Please tick (✓) the appropriate box. If you wish to nominate more than one person, please fill out a separate form for each nominee (photocopy this page).

Auctioneers	For senior auctioneers practicing in NSW
Auction Marketing	For residential sales people to showcase their campaign of an auction property
Business Agent*	For those working in the field of business broking
Buyers' Agent*	Recognises the expanding area of buyers' agency
Small Commercial Agency*	For a small to medium sized firm showing outstanding achievement via business plan, professional development, sales, and service to clients
Large Commercial Agency*	For multinational firm showing outstanding achievement via business plan, professional development, sales, and service to clients
Commercial Property Management	For commercial property managers working in single or multi office firms
Commercial Sales/Leasing*	For commercial sales/leasing agents working in single or multi office firms
Copywriting	Open to all areas of copywriting including print and electronic media
Corporate Support	For support staff working in administration, office management, reception, customer service and personal/executive assistants
Holiday & Short Term Rentals	Recognises firms excelling in this specialist area of residential rentals
Innovation*	For firms showing innovation in the industry that has improved business efficiency
John Greig OAM Community Svc*	For an individual who has made an outstanding contribution to their local community
Project Marketing	Awarded for overall success of a marketing campaign
Small Residential Agency*	For a firm (employing 10 people or less) showing outstanding achievement via business plan, professional development, sales, and service to clients
Large Residential Agency*	For a firm (employing more than 10 people) showing outstanding achievement via business plan, professional development, sales, and service to clients
Residential Property Management*	For individual property managers who can outline strategies that promote their service as a property manager
Residential Property Management Achievement*	For an individual with no more than 2 years experience in the real estate industry showing customer service, initiative, and professional standards
Residential Sales*	Open to all individual residential salespeople
Residential Sales Achievement*	For an individual with no more than 2 years experience in the real estate industry showing customer service, initiative, and professional standards
Rural Marketing	For rural sales people and property managers
Valuation	Recognises the specialist skills of valuers
Website - Corporate*	Website representing a corporate identity (such as franchise head office) or group / chain of more than one office
Website - Independent*	Website representing a single office

* Award winners may have the opportunity to advance to the 2008 REIA National Awards.

NOMINEE DETAILS

First name _____ Surname _____
 Firm _____
 Street address _____
 Suburb _____ Postcode _____
 Phone _____ Email _____

NOMINATOR DETAILS

First name _____ Surname _____
 Email _____
 Signature _____ Date _____

Please fax this form back to REINSW on (02) 9267 9190 by Friday, 28 March 2008.

Awards for Excellence – it's not too late!

It's not too late to nominate for an REINSW Award for Excellence, but you have to hurry. Nominations close on 28 March. You can nominate yourself or someone else, however entries are only open to REINSW individual members at member firms.

Kits are now being sent to all nominees to explain the criteria for the awards categories and provide information on what is required for submissions.

The deadline for submissions is 16 May.

You have to be in it to win it, so fill out a nomination form today! The form is now online at www.reinsw.com.au under the Events section.

Even if you don't win, you might be a finalist. Finalists and winners receive recognition of their achievements and promotional kits to make the most of their success.

To find out more, call REINSW on (02) 9264 2343. ♦



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We look forward to helping you with your property search and negotiation. Meet Buyer's Agents in an ideal on demand property? Click here for personal or professional advice from a Sydney Buyers Agent.

Home Buyers - New homes, existing real estate. Use spreadsheets and work with you through every step of the process from house hunting to settlement. We help clients of all ages associated with house-hunting, and you get your Security back. With an expert negotiator and skilled negotiator on your side, you will be confident here saying how much you pay for the right home. We help people and bring their buyers through to best home buyers.

Home Buyers at Sydney are specialists in the following areas:

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- INVESTMENT
- FIRST HOME BUYERS
- INVESTMENT
- INVESTMENT
- INVESTMENT
- INVESTMENT

Independent reports for investment. We specialise in investment property specialists. With our independence in your possession of a quality property search & evaluation. As investors, we understand the Australian property market and target property for clients for sale. We work on a best price and great return commercial from all buyers, selling agents or vendors. We have purchased, developed, finished and sold many of our best clients. South Coast Queensland and Darwin investment property are just some of our key areas. We are constantly researching and monitoring the market and look for areas that have consistently performed well for capital growth and a high return on investment. We have been successful in capital growth due to infrastructure and population drivers.

Investment specialists. We can suggest ideas to keep the best type of property for your needs, and provide due diligence on factors that affect prices in the local market. We can assist you with high capital growth or passive cashflow properties – whatever your chosen strategy.

Hard Award Winning Service - Propertybuyer is the most awarded Buyers Agency in Australia, and this makes us one of the most trusted and respected real estate agencies in the country.

Winner of the National Telstra Business Awards 2007. We are also winners of the Real Estate Institute of NSW 'Awards for Excellence' in the Buyers Agency for 2005, 2006 and 2007. The 70th Weekly Daily Small Business Award, Micro Business 2007, 'Entrepreneur of the Year' Award 2005 and 'Business of the Year' in 2006 and 2007. Finalists in the Northern Sydney Local Business Awards 2007 and Weekly Daily The Local Awards 2007. Currently we are finalists in the 2008 Australian Real Estate Institute Best National Buyers Agency (awarded April 08).

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How do I enter?

Enter online by Friday, 28 March 2008 at www.reinsw.com.au/2008-Nomination-Form OR complete the following steps:

Step 1

- Find the Nomination Form on the opposite page
- Tick the award/s for which you would like to nominate yourself, a colleague or staff member and fill out the details at the bottom of the page.
- If you wish to nominate more than one person, please fill out a separate form for each nominee (simply photocopy the form provided).

Step 2

Fax the Nomination Form back to the Institute on (02) 9267 9190 by Friday, 28 March 2008.

Step 3

Nominees will then be sent an Awards for Excellence Entry Kit. They must complete and return their submissions by 5.00pm on Friday, 16 May 2008.

You can keep up to date with the Awards for Excellence 2008 on the Institute's website, www.reinsw.com.au.

Dates for your diary

March 28-30: Property Expo

September 10: Commercial Property Forum

October 18: REINSW Annual Dinner

ABOVE: MARTIN, MORRIS AND JONES WAS A FINALIST FOR COMMERCIAL AGENCY OF THE YEAR.

DAMIEN DUCKLEY

When Damien started at Cooke Colquhoun & Partners in 2005, he had one clear vision – to put together the best advertising team in Australia. Now, as the managing director of the award-winning real estate agency, his clients rely on his contribute skills and experience to deliver a number of successful business results.

At the helm of a rapidly growing, successful business, Damien has received a number of accolades which stand as a testament to his focus and unwavering commitment to his staff. He won the Australian Property Institute's Young Achiever of the Year Award in 2007, and was a finalist in 2006 and 2004. He was also a finalist in the Real Estate Institute of New South Wales' Award for Excellence in Advertising in 2007, 2006, 2005 and 2004. These commendations have reinforced his leadership and commitment to his staff and the success of the business.

Damien's drive, enthusiasm and innate ability to lead a crowd are what sets him apart from the rest of the industry. He has been recognised as contributing significantly to the revitalisation of the Sydney's real estate market.

With his exceptional leadership and focus on staff, Damien has set an example and clearly events. Damien's results speak for themselves and he is consistently ranked as a top performer in the industry.

awards FOR EXCELLENCE 2007 FINALIST

TOP: AN EXAMPLE OF HOW AN AWARDS LOGO CAN BE USED ON A WEBSITE TO PROMOTE AN AGENCY.

LEFT: FINALISTS AND WINNERS CAN USE THE AWARDS LOGO AS PART OF THEIR PROFILE.

2008 CPD SKILLS

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The Real Estate Institute of NSW (REINSW) is one of the largest professional associations for agents and other property professionals in Australia. Our training is representative of the trust, independence, diversity and experience that you can expect from REINSW. We have been conducting CPD training since it first began and know how you can best meet your training obligations.

WHAT HAS CHANGED?

The changes to the PSBA Act came into effect on January 2008 and included the following updates:

- Agents still need to acquire 12 CPD points before certificate/licence renewal
- Multiple licence holders no longer need an additional 3 points per licence
- A maximum of 4 points can be used in Learning Category 1 (1 point per hour)
- New Learning Category 2, delivered by an industry body such as REINSW (no assessment required at 2 points per hour)
- Learning Category 3, delivered by an RTO such as REINSW (with assessment at 3 points per hour)
- 11 points can be carried over to the following year
- More choice with the topics you complete

As the leading training provider to the real estate industry you can rely on REINSW to provide you with the most up to date and accurate information about the recent CPD changes.

WHERE ARE THE CPD WORKSHOPS HELD

- Sydney - REINSW Corporate Learning Centre (CLC)
- Regional and Metropolitan NSW
- Please visit www.reinsw.com.au/training to find out when we will be in your area
- eLearning - if you need your CPD in a hurry or even if you don't have the time to leave your office, REINSW eLearning is the ideal format to complete your CPD

WHAT WORKSHOPS DO I NEED TO COMPLETE

It's your choice - with a range of CPD workshops available all you need to do is choose the workshop that most suits your needs.

WORKSHOP DETAILS

Pricing

	REINSW Member	Non Member
12 point workshops	\$199	\$245

Classroom

Please check our quarterly schedule, www.reinsw.com.au/training or phone (02) 9211 8707 for current dates and courses.

eLearning*

- Compliance & the PSBA Act
- Sales & the PSBA Act
- Fair Trading Legislation & Real Estate
- PSBA Property Management
- Conflict Management
- Manage Agency Risk
- Manage Agency Risk, part 2
- OH&S
- An Agent's Guide to Privacy
- Best Practice in Arranging Repairs & Maintenance
- Anti Discrimination
- Litigation
- Customer Service
- Building Styles & Faults
- Business Writing
- Staff Recruitment & Induction
- Stress Management
- Managing & Developing Team

* All of the above eLearning workshops are Learning Category 3 and worth 12 CPD points except Manage Agency Risk which is 24 CPD points.

The Real Estate Institute of New South Wales (REINSW) was founded in 1910 by a group of estate agents dedicated to fostering and maintaining professional standards and ethical business practice in the industry. Since that time the REINSW has grown into one of the largest and most comprehensive real estate organisations in Australia that trains thousands of real estate agents each year.

Experienced Agents Licensing Course

HERE ARE SOME ANSWERS TO FREQUENTLY ASKED QUESTIONS ABOUT THE EXPERIENCED AGENTS LICENSING COURSE, WHICH TAKES INTO ACCOUNT RECOGNITION OF PRIOR LEARNING TO FAST-TRACK THE LICENSING COURSE FOR EXPERIENCED AGENTS.

Q: What deems me eligible to attend the Experienced Agents Licensing Course?

A: A current Certificate of Registration for the last two years and two CPD renewals.

Q: What is RPL?

A: RPL is Recognition of Prior Learning. The RPL process takes into account your professional work experience/skills/qualifications/life experiences. We then map these experiences against the units of competency to determine if you are deemed exempt from the unit or not.

Q: What do I need to bring on the day?

A: All you have to do is provide as much evidence as you can from the Experienced Agents Licence Checklist, which is on page 2 of the Experienced Agents Licensing Program Handbook. You can download the handbook from <http://www.reinsw.com.au/Experienced-Agents-Licensing-Course/default.aspx>.

Q: Do I get penalised for not having the correct evidence on the day of the course?

A: No you do not. The REINSW trainers will point out any gaps in knowledge or experience and if you can provide evidence of this at a later date we encourage you to send this into us.

Q: What are the fees and charges?

The initial payment is from as little as \$1,499 for the Real Estate Licence, \$999 for the Business Agents Licence, and \$2,499 for the Stock and Station Licence.

Any units which you must complete (i.e. units from which you are not exempt, based on your evidence), you can complete online at no extra cost. However, if you would prefer to complete these remaining units in class, it will cost you a minimal fee of \$100 per unit in class.

Q: How long does it take to complete the Licensing course?

A: The time taken to complete the course is directly proportional to the amount and quality of evidence provided on the RPL session day attended by the student. The more evidence provided on the day with the trainer, the greater chance of exemptions from units. As a rule, the whole process usually takes a minimum two months (taking into account units to be completed via e-Learning, and further evidence to be sent in and assessed). However, some experienced agents have been known to be exempt from all units on the day of the one-off training session with the trainer.

Q: Is this course a short-cut to getting a licence?

A: This is NOT a short-cut to getting a licence. As the course title states, this is a course for experienced agents and not a quick fix for inexperienced agents.

Q: Why should an experienced agent think about getting their licence?

A: If you have ever dreamed of owning your own office, being a licensee-in-charge of an office, have aspirations of being a 'hot shot' auctioneer or look forward to the challenge of working for commission-only, then this course is for you.

Q: Why get your licence with REINSW?

A: REINSW is the intelligent choice as all our trainers are industry professionals who are passionate about real estate and committed to helping you 'dare to succeed' in terms of achieving your goals. REINSW is a name you can trust with almost 100 years of industry experience.

To find out more, call REINSW Education & Training on (02) 9211 8707, email training@reinsw.com.au or visit www.reinsw.com.au. ♦

Traineeships

IF YOU'RE LOOKING FOR A NEW EMPLOYEE, HAVE YOU CONSIDERED TAKING ON A TRAINEE?

Traineeships are on-the-job work placements in a real estate office for new employees – similar to apprenticeships. Trainees complete the Course in Property Practice in order to receive their Certificate of Registration, and then complete either the Certificate III or Certificate IV in property. The training is funded by the NSW Government, and trainees receive support from REINSW.



Sonia Jovceski Traineeship Co-ordinator

Sonia liaises with the Department of Education and Training in regards to making payment claims for trainees.

She also liaises with group training organisations and apprenticeship centres to sign up trainees. Sonia also problem shoots general enquiries from our trainees.



David Massingham Training Services Team Leader

David is in charge of the REINSW Education and Training administration team, is responsible for Registered Training Organisation compliance and is the Workplace Assessor for trainees.

To find out more about traineeships, please call (02) 9211 8707 or email sjovceski@reinsw.com.au. ♦



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*. It includes times and places for CPD training, skills workshops, licensing courses and more.

Alternatively, to find out what courses are currently available, go to the REINSW website at www.reinsw.com.au and look under 'Training'. ♦

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: Wayne Matsinos
Central Coast: Position Vacant
Central West: Chris Gryllis
City of Sydney: Position vacant
Coffs Harbour: Christine Clarke
East: Craig Sewell
Illawarra: Leigh Stewart
Inner West: Edward Tancred
Mid North Coast: Steven Newman
Murrumbidgee: Kevin Purtell
Nepean, Hawkesbury,
Blue Mountains: Greg Taylor
Newcastle and Hunter:
Wayne Stewart
New England: Graeme Mills
North: Position vacant
Northern Beaches: Ardi Melikian
North West: Position vacant
Northern Rivers: Carl Petersen
Orana: Rod Crowfoot
Parramatta & Hills: Lisa Surian
Riverina & South West Slopes:
Simon Freemantle
South Coast: John Haslem
(Acting Chairman)
South East: Position Vacant
South West: Kay Cole
St George Sutherland Shire:
Christian Payne

Why belong to a Chapter?

Being involved in the Chapter you specialise in gives you a chance to have your say directly by being able to join your Chapter Committee, or indirectly by forwarding in your comments to the committee.

The committees monitor and report to the Board on matters affecting Chapter members in real estate practice and make recommendations to the Board on professional standards.

The committees do a lot of work behind the scenes and are constantly involved in political action involving your profession, standing up for your rights and organising forums, which are held to provide an inexpensive yet valuable source of education for Chapter members.

In 2008, forums are planned for the Property Managers, Buyers' Agents, Residential Sales and Rural chapters. More forums are expected to be announced in coming months – and in country areas as well as the city.

Some committees are also planning their own newsletters for 2008 to inform their specific members on issues relating to their particular field.

How will this benefit you as a Chapter member? You will not only be more informed on specific industry-related issues, you will have an opportunity to get involved and have your say.

For just \$36 per year you can support your Chapter in your chosen field – you will also be supporting your committee and the issues they are addressing on your behalf.

For more information or to join a Chapter, call REINSW Membership on (02) 9264 2343.



DAVE SKOW AND LISA SURIAN

Young Agents Chapter

Plans are well underway for the formation of a Young Agents Chapter of REINSW, which will give a voice to newcomers to the profession and provide opportunities for networking and fun.

Lisa Surian from Raine and Horne Parramatta and Dave Skow from Elders Real Estate head office have both put up their hands to help set the framework for the new chapter.

The Chapter is intended to be for agents under 35 years of age or with less than three years of practice in the industry.

“The Chapter will provide a means to network and connect with like-minded professionals,” Lisa said. “It will bring new ideas into REINSW and will provide a base for younger professionals to have their say when it comes to the direction that the Institute will head in the future.”

Young sales agents can often feel discouraged as it takes time to build up a referral network, while property managers can feel isolated when they face an abusive tenant and don't know where to turn for encouragement and help.

The Chapter will be an ideal place for new agents to receive mentoring from others as well as to discuss their experiences with others their own age.

In addition, the Chapter hopes to line up some social events – and not just with other agents, but also with other organisations such as the Young Lawyers.

It can't happen without the help of you, the members! If you're a young agent and want to be involved with the new Chapter Committee, please send an email to Tracey Lucas providing a short biography and outlining your reasons for wanting to get involved to tlucas@reinsw.com.au.

Online bidding

The Auctioneers Chapter Committee recently held their first meeting for the year under the helm of their new chairperson, Kate Lumby.

Online bidding was a hot topic for discussion, with a short presentation by Gavin Stewart from PTY Auctions. While the auctioneers were generally enthusiastic about the possibility of purchasers being able to make bids and view an auction online, they had a number of concerns, including the question of who signs the contract if the online bidder makes the highest bid. They will now put these concerns in writing to try to resolve the issues with the online bidding process.

The Chapter also discussed holding forums later in the year, and are compiling a list of frequently asked questions to help agents gain confidence in taking a property to auction.

If you have any questions that you would like to ask the Auctioneers Chapter Committee about auction campaigns, please email Tracey Lucas at tlucas@reinsw.com.au.

PROPERTY MANAGEMENT:

Purchasing an investment property



BY SANDRA MCGEE

PROPERTY MANAGERS ARE OFTEN ASKED FOR ADVICE ON THE RIGHT TYPE OF PROPERTY TO BUY FOR AN INVESTMENT. HERE ARE SOME TIPS AND QUESTIONS I PUT TO THE INVESTOR.

Could you live in the property yourself?

To some people this may seem strange but any investor should be able to say yes to that question even if it is only a small one or two bedroom unit. The investor should still be able to feel that he or she could live there comfortably if necessary.

If they say no, then I always ask: 'If you could not live there, why do you feel that a tenant should live there?'

Yes, some tenants will lease the property, but we and the smart informed investor want a good tenant who will look after his investment, pay the rent on time and not interfere with the neighbours' peace and comfort. Dirty, dilapidated, rundown accommodation will not attract that kind of tenant. What it will attract is the tenant with whom you will be forever chasing the rent and listening to the neighbours' complaints about the comings and goings at the property by all types of people. That's not smart investing or smart property management.

Unfortunately some investors still feel that anything is good enough to rent out and that tenants should not expect too much. They buy on the

price alone and usually feel that they have made a good investment. Experience tells me otherwise.

Is it within walking distance of amenities?

A property in a good location will always rent before the property on the main road or a property that backs onto a train line.

Is it walking distance to a railway station or other transport? Is it an easy walk to a school, pre-school or shops? Has the property easy access to the freeways or major highways but a safe distance so that noise or traffic exiting the roads will not be a disturbance to the tenant?

In a tight, low vacancy market of less than 1% like we currently have in Sydney, properties lease easily, but in a slow market or even 3% vacancy factor the properties in poor locations on busy roads are always the last to rent and will sit vacant for weeks and in some instances for months before attracting a tenant.

I would urge the investor to consider carefully whether it is worth paying a cheap price for a property that may have no rental income for months at a time.

Does the property have a garage?

Tenants, just like home owners, want safe secure parking for their cars and also a storage area for push bikes etc. A property with a garage will always lease over a property with a carport. A double garage is even better. An investor buying a decent property with a garage will always have a low vacancy factor and usually a longer term tenant.

If the property is in the heart of Sydney, it may be an exception to this rule but the tenant will probably still want some sort of secure storage area.



A PROPERTY IN A GOOD LOCATION WILL ALWAYS RENT BEFORE THE PROPERTY ON THE MAIN ROAD OR A PROPERTY THAT BACKS ONTO A TRAIN LINE.

Security

Is it surrounded by properties with bars on the windows? This tells you that it is a high crime area. Most prospective tenants will walk away from leasing in those areas in a normal rental market.

All investors should, in my opinion, install deadlocks on all external doors, put a security screen door on the front door and keyed window locks on all windows of properties. Tenants should be entitled to at least that level of basic security. I have always found by talking to the investor before they purchase a property that they agree and either buy a property with the appropriate security or agree to have the locks and doors added after purchasing a property.

Air conditioners

Air conditioners may be costly items for landlords to maintain, but I feel they are a necessity, particularly in older homes that can become unbearable in the summer. If a landlord is particularly

budget-conscious, suggest that they forget the dishwasher, but add the air conditioner. However in more prestigious areas or in properties with higher rents, dishwashers can be considered essential as well.

Pre-purchase inspection

Offer to go with the investor to inspect the property before they make an offer and sign a contract. A property manager can often see the property from a different point of view to a sales agent. An experienced property manager should be able to walk into a property and say yes, this property is likely to rent easily for the following reasons, or no, this property may have difficulty in attracting tenants.

Also make sure that the investor gets a building report and that all renovations have been carried out correctly and have been approved by council.

Inspecting a property and offering advice is an excellent and easy way to gain new managements. New investors are often scared when making that final leap into buying a property for rental. Your knowledge and caring attitude will give them peace of mind and make the process easier for them. Build that long and lasting relationship from the beginning.

Sandra McGee is a member of the REINSW Property Manager Chapter Committee and has more than 21 years' experience in property management at Starr Partners Merrylands. ♦

HOLIDAY AND SHORT TERM RENTALS: Planning for equality



BY JUSTIN BUTTERWORTH

REINSW IS SEEKING TO MAINTAIN EQUALITY BETWEEN OWNERS AND TENANTS TO PROVIDE CONSUMER CHOICE.

Planning regulations play an important role in residential developments by controlling property usage. In the case of holiday rentals, the activity has been classified as residential since the mid-nineteenth century.

Both owners and tenants have used holiday rental properties for residential activities such as eating, sleeping, washing and socialising with family and friends.

However some recent legal cases have classified (given particular circumstances) short term rentals as commercial usage instead of residential usage. Some NSW councils

THERE IS REAL POTENTIAL THAT ... HOLIDAY RENTALS COULD ULTIMATELY BECOME PROHIBITED IN MANY AREAS ACROSS NSW.

have broadly interpreted such cases as precedents that have been used to effectively ban holiday rentals. In these council areas, the renting of a holiday property is no longer classified as residential – even though an owner occupying a holiday property is classified as residential.

These councils have created a situation previously unseen in NSW:

the discrimination between owners and renters. If such measures were to be followed by all local councils, people wanting to stay in a holiday home would be permitted or restricted depending on whether they rent or own the property.

As groups opposed to holiday rentals have been arguing for bans, there is real potential that, if left unchecked, holiday rentals could ultimately become prohibited in many areas across NSW. The future of holiday rentals is therefore uncertain.

Holiday rentals are important to many family holidays as well as local economies.

If holiday rentals were banned, consumers would have reduced options when it comes to holiday accommodation and would have to look at using serviced apartments and hotels instead of short term rentals. There are concerns that popular beachside holiday destinations would only be accessible for the rich who

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Sharon Jeffs

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could afford to own a property without rental income. Home stays, house swaps, house sitting and emergency housing could also be undermined.

As reported in the February edition of the *Journal*, there is overwhelming public opposition to councils adopting planning changes that would effectively ban holiday rentals. Polling by Colmar Brunton showed that 86% of people surveyed opposed the proposed changes, 10% were undecided and 4% supported the proposals.

A survey of other countries' planning systems revealed that NSW councils would go against international trends if they adopted such planning measures.

The moves to ban holiday rentals are out of step with the majority of people and will introduce a dangerous precedent of discrimination into the NSW planning system.

The NSW government must protect the residential status of holiday rentals to give all people equal access to affordable accommodation.

REINSW is presenting its case to the NSW Government in the hope that its representations will preserve the Australian tradition of renting holiday houses.

Justin Butterworth, from Rent-A-Home, is the Chairman of the REINSW Holiday and Short Term Rentals Committee. ♦

Short term rentals help in tight rental market

The tight rental market in NSW, with vacancy rates hovering around 1%, has made moving home a real challenge for renters, particularly in Sydney.

Some renters are unable to find suitable accommodation by the time their existing tenancy comes to an end and have no alternative but to place their belongings in storage and rent a short term furnished property.

"We've noticed a rise in renters stuck in between homes," said Justin Butterworth from Rent-A-Home.

Often a short-term rental of four to six weeks is required – sufficiently long enough to search and achieve success with a rental application.

"If short-term rentals were banned, renters would be left without housing. It's as simple as that," Justin said.

Happy holidays



The Veenstra's

Henry and Carol Veenstra reside in Sydney and have been holidaying at Kingscliff on the NSW Far North Coast for the past 15 years. They used to come with their kids, but now with their children grown up, they come to Kingscliff for family reunions twice a year.

"I came to Kingscliff on a recommendation of a lady who, 15 years ago, had been coming here for holidays for 10 years – so that's 25 years of holiday rentals between the two of us," Henry said.

Over the years they have enjoyed their holidays in Kingscliff so much that in 2002 they bought their own apartment which they let out for holiday rental by

other families. The apartment is too small for everyone in the extended family, so Henry and Carol regularly rebook holiday rental accommodation through Kingscliff Sales and Rentals for when family and friends come to stay.

The Veenstra family prefer to stay in holiday houses because it gives them an opportunity to catch up with friends and family at a lovely coastal seaside town such as Kingscliff, where they can walk across the road to the beach and into town where there are fabulous cafes and eateries. Henry always brings his boat to the holiday house because he is an avid fisherman.

During their holiday in 2004, Henry and Carol purchased another property in the

area, this one in the adjoining suburb of Fingal Head, where they intend to spend their retirement.

"If holiday rental accommodation was stopped in Kingscliff, we would find it very difficult to find affordable hotel accommodation that could accommodate our large family and also a place to store Henry's boat safely," Carol said.

"If there were no holiday rentals here, we would not have purchased two properties in the area. We also enjoy going out, so we and our visitors make a contribution to the local economy, as everyone knows that you spend more money and go out more than if you were at home and not on holidays."



The O'Meara's

The O'Meara's live in Sydney and once or twice a year stay in holiday rentals at Kingscliff so they can visit their relatives in the area. Staying in holiday rental accommodation, Ilan and Leanne are able to comfortably accommodate themselves and their three children Casey, Erin and Curtis at an affordable price.

They stayed at a holiday house at Easter last year to attend a family wedding and returned over Christmas because the

couple that were married have had a baby. The O'Meara's parents came too, staying at a ground floor holiday unit.

The family intends to return in October because their eldest daughter, Casey, has to perform at Dreamworld and Seaworld for her Sydney jazz group, Constant Groove Dance Studio.

"Kingscliff is a great place to stay as it is a lovely quiet seaside town with a village atmosphere," Ilan said.

"We can easily access all the Gold Coast attractions for the kids whilst still having that 'family holiday' by the beach.

"How would you have a holiday if there were no holiday rentals? It would be next to impossible to find affordable alternative accommodation for all of our extended family."



Remembering an industry advocate

CHRIS SCOTT, 1940 - 2007

"FOR THOSE WHO ARE PRESENTLY OUTSIDE THE INSTITUTE AND HAVE SOME GRIPE OR DISILLUSIONMENT ABOUT OUR ACTIVITIES THERE IS A SIMPLE SOLUTION: JOIN THE INSTITUTE AND HELP US TO IMPROVE."

So said Chris Scott when he became REINSW President in 1984. Chris wasn't a man to mince words. He spoke his mind with conviction and honesty as he strived to raise professional standards in the industry.

Chris passed away on 20 December 2007. He has been remembered by friends and colleagues as a strong advocate for the Institute and the first President to actively engage in political lobbying.

"Chris was a passionate and committed man, well respected, with great courage in his convictions for improving the professionalism of the real estate industry," said Past President Robert Weight (1995-97), who joined the Board in the same year that Chris became President.

"He pioneered political action for the REI and formed the political action committee. He wrote carefully thought-through position papers on the issues we were advocating. He called a spade a spade and made his points forcefully."

Past President John Greig (1989-91) said there was a time when he couldn't turn on the TV without seeing Chris on the news.

"Chris was a passionate and committed man, well respected, with great courage in his convictions for improving the professionalism of the real estate industry."

"He had a powerful, strong media relationship," John said. "He was always available to comment. He was quite outspoken – he wasn't a 'yes man' by any means. If there were issues around, he was very strong in his views, which were always in the best interests of Institute members. I don't remember any issue where he went off on a wrong tangent. He was very intelligent."

Chris was also regarded as being the first 'full time' REINSW President. Despite his real estate office being located on the Central Coast, he spent Monday to Friday in the city so he could work out of the REINSW offices. He was also instrumental in the purchase of REI House on

Wentworth Avenue, where the Institute's head office remains today.

"Chris's involvement with the Institute was always all or nothing," said Past President Stephen Francis (1997-99). "I first got to know Chris when a group of us were asked to undertake a 'Train the Trainer' course conducted by Macquarie University. Chris brought to that program the enthusiasm that drove him in the rest of his life, together with his commitment to ensure that the profession that he was part of raised its standards."

The best example of Chris's commitment to education for agents was the handbook he wrote, called the *Estate Agents' Practice Manual*. At more than 8,000 pages, the manual covered all aspects of the profession and represented his life's work.

"This handbook became the bible for all agents who cared about delivering professional services to both their customers and their clients, plus ensuring they complied with all aspects of the *Property, Stock and Business Agents Act*," Stephen said.

While the manual represented the academic side of Chris's character, he was also a down-to-earth, popular man who befriended people from all walks of life.

"He was very popular," John said. "He loved a drink and a smoke."

Before becoming a real estate agent, Chris had worked as an officer in the British merchant marine, had sold fertiliser to farmers and sold office equipment.

His tour of duty in the merchant navy took him around the world three times within four years and thus his widely acknowledged ability to communicate easily was forged in a crucible of people from vastly different backgrounds.

Chris was born Julian Christopher Eason Scott in England in 1940. Despite his parent's choice for his name, Chris felt that Julian had a "foppish" ring to it and preferred to be known by his second name.

He arrived in Australia in August, 1960 at the age of 20 on the *M.V. King Henry* as a four-year Apprentice Deck Officer with the King Line Shipping Company. Chris liked Sydney so much he stayed on, rather than boarding the next King Line vessel



for his return passage to England and his final examinations.

Despite leaving the shipping life behind him, he maintained a love of the sea and became an active member of the Coastal Patrol Central Coast Division. He had interests in four motor vessels in Brisbane Water: *Aquila*, *Simitar*, *AngieD* and *Enterprise*, all of which were regularly made available for watch duty with the Coastal Patrol.

He was also involved in the Central Coast Division of REINSW, was at one stage the Chairman of the Education Committee and spent three years as REINSW President from 1984 to 1986. In 1994 he was awarded the Woodrow Weight Award, the real estate industry's highest honour.

His presidency covered a period of great change within the industry, with agencies adapting to include personal computers in their offices. Chris embraced the change, urging members that "new technology is an opportunity to be grasped, not a problem from which to shrink. The prizes will go to those who recognise this."

He was also perceptive when it came to the Institute's role, especially as it related to government and legislation.



1. CHRIS SCOTT WITH THE NEW BOARD IN 1984.

2. CHRIS DEMONSTRATES THE LATEST IN COMPUTER TECHNOLOGY USED BY AGENTS AT THE TIME.

3. CHRIS RECEIVES HIS PRESIDENT'S BADGE.

"He pioneered political action for the REI ... He called a spade a spade and made his points forcefully."



2



3

"Chris was a real visionary and was responsible for many of the changes and innovations to the real estate profession," said Past President John Nicoll (1993-95).

At the 75th anniversary of REINSW in April 1985, Chris wrote the following in the *Real Estate Journal*:

"Little has changed for the Institute since those days in 1910 when a group of far-sighted agents felt strongly that they, and all of their colleagues Sydney-wide who could be persuaded, should enter into formal association.

"Their objective was service to the public and the profession, to be secured as comprehensively as possible by means of legislation applicable to all practitioners, and a code of ethics by which all members would be bound.

"The words, the form and style have changed, but the essence remains the same: a cause for pride, not frustration. Long may their purpose continue."

Chris is survived by his wife Rhonda and their family. ♦

Reflections on Chris Scott

"During my term as President, Chris filled the role of Past President's Chapter representative on the Board. His advice to me was invaluable and at all times he was available to me for counsel and advice."

Stephen Francis

"He was the first President I served under. He was a great mentor."

Robert Weight

"He was very popular. He was an academic, too. I could never work out how he had the time to write the *Estate Agents' Practice Manual*."

John Greig

"I have shared many years on the REI Board with Chris and was privileged to witness his proactive leadership during his three years of Presidency. Although Chris has passed on, his contribution to the Real Estate Institute of New South Wales over so many years will be long remembered."

John Nicoll

Record-keeping requirements



BY ROBERT RIDDELL AND DANIEL FITZPATRICK

The speed, complexity and volume of business transactions can lead business people to neglect the proper maintenance and storage of records. The expense of off-site storage and space limitations certainly discourage the retention of records.

However, businesses keen to dispose of old records and 'get on with business' can easily be caught short if records in relation to a completed transaction have been destroyed. Defending claims in relation to a completed matter without records presents distinct forensic and factual difficulties. The premature destruction of records can also leave one liable to penalties for statutory offences. Proper attention to the maintenance of records and monitoring the businesses' document retention policy (if any) are important steps that businesses can take to better manage and respond to claims.

Statutes and case-law set the framework for what is appropriate in terms of document retention. A review of some of those guidelines follows.

Company financial records

Section 286(2) of the *Corporations Act 2001* requires financial records of a company to be retained for seven years after the transactions covered by the records are completed. This caters for the Australian Securities and Investments Commission (ASIC)'s power to require financial records of the previous six years to be lodged with it for compliance purposesⁱ. Company registers must be retained throughout the existence of the company and beyond.ⁱⁱ

In relation to deregistered companies, the *Corporations Act 2001* provides that the directors of a company at the time of its deregistration must retain the company's documents, including

its registers and financial records for a period of three years after it is deregisteredⁱⁱⁱ. If the company was wound up, the liquidator appointed is required to retain those records for a period of five years following the date of deregistration (which occurs once the winding up process is complete).^{iv} The liquidator can, however, apply to the ASIC for this requirement to be dispensed with^v.

Taxation records Income tax

The *Income Tax Assessment Act 1997* requires that taxpayers retain business records relevant for tax purposes, but does not specify a retention period. The Commissioner of Taxation has the power to amend an income tax assessment up to four years from the date the tax became due and payable^{vi}, which suggests that it is worthwhile retaining business records relevant for tax purposes for at least five years.

IT IS WORTHWHILE RETAINING BUSINESS RECORDS RELEVANT FOR TAX PURPOSES FOR AT LEAST FIVE YEARS.

It should also be noted that if the Commissioner considers that tax is being avoided by way of fraud or evasion, the tax assessment can be amended at any time.

Fringe benefits tax

The *Fringe Benefits Tax Assessment Act 1986* requires taxpayers to retain records identifying and explaining transactions and acts relevant to fringe benefits tax liability for five years from the completion of the transactions^{vii}.



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Capital gains tax

The issue of record keeping for capital gains tax (CGT) purposes is more complicated. Taxpayers must keep records of every act, transaction, event or circumstance that can reasonably be expected to be relevant to determining whether they have made a capital gain or loss from a CGT event. CGT records must be retained for five years after it becomes certain that there will be no further CGT event to which the documents can relate^{viii}.

GST

Records explaining transactions and other acts relevant to a taxable supply need to be kept and maintained for a period of not less than five years after the completion of the transaction. The Commissioner of Taxation may excuse a person or company from such record keeping responsibilities and it is not necessary to keep such records for a company that has been finally dissolved.^{ix}

Taxation records – five years or seven years?

The rules in relation to retention of records in respect of taxation outlined above are inconsistent with the rules under the *Corporations Act 2001* which requires records be kept for seven years. Noting this, it is recommended to retain records relating to taxation affairs (including matters relating to workers) for seven years after the issue of the relevant assessment.

Agents' and managers' records

Real estate agents, stock and station agents, business strata managing agents, community managing agents and on-site residential property managers must be licensed under the *Property, Stock and Business Agents Act 2002* (PSBA Act). All licensees are compelled by the PSBA Act^x and the PSBA Regulations^{xi} to maintain detailed records of all transactions, in English, at the licensee's registered office for a period of three years after the record was made. Failure to maintain records required under PSBA Act and its regulations is an offence with penalties of fines up to \$11,000.^{xii}

The PSBA Act also contains specific provisions in respect of trust records kept by agents. The types of trust records that must be retained are the trust receipt books, the bank deposit book and the trust account cashbook. There are special requirements for computer-based trust account records contained in clause 24 of the PSBA regulations and Strata and Community Managing Agents are subject to

additional trust bookkeeping requirements in respect of each body or association under their management.^{xiii}

The PSBA Act also provides that an authorised officer of the Department of Fair Trading, investigator under the *Fair Trading Act* or police officer can inspect a licensee's trust accounts, require the production of, or take possession of trust records for use as evidence.^{xiv}

Although trust records are the property of the agent, a person directly concerned with a transaction may, within six months of the date of the transaction, require an itemised account of the transaction.^{xv}

Financial institutions' records

The *Anti-Money Laundering/Counter-Terrorist Financing Act 2006* (Cth) requires the retention of all records in relation to prescribed services and customer identification carried out by

the financial institutions for (at least) seven years from the date the record was created.^{xvi}

Retaining records in order to defend potential claims

Part 2 Division 2 of the *Limitation Act 1969* (NSW) provides deadlines for court actions founded in contract, tort and actions to recover money payable by virtue of some statutes. Failure to initiate court proceedings before the expiry of an applicable



deadline may provide a ground for the claim to be struck out or provide a good defence.

Before setting out the various limitation periods, it is worth noting that commencement of a limitation period may be postponed if the claimant is subject to certain disabilities^{xvii} to the date the disability ceases. A person is under a disability if they are under the age of 18 years or "incapable of or substantially impeded in the management of his or her affairs by reason of disease or impairment, restraint or by war or war-like operations" for 28 days or more.^{xviii} While it is rare for a disability to be used in answer to an argument that a limitation period has expired, it may have a bearing upon the period for which records are retained in order to defend potential claims.

ALL LICENSEES ARE COMPELLED BY THE PSBA ACT AND THE PSBA REGULATIONS TO MAINTAIN DETAILED RECORDS OF ALL TRANSACTIONS, IN ENGLISH, AT THE LICENSEE'S REGISTERED OFFICE FOR A PERIOD OF THREE YEARS AFTER THE RECORD WAS MADE.

Claims for breach of contract

Court proceedings arising out of a breach of contract must be brought within six years of the date of the breach.^{xix}

Claims for breach of deed

A court action arising out of a breach of a deed must be brought within 12 years of the breach.^{xx}

Claims in tort

Proceedings in relation to a tort (such as negligence, nuisance, trespass, etc) must be brought within six years of the cause of action arising, but the cause of action does not arise until the loss or damage has been suffered.^{xxi} This makes advising the appropriate period for the retention of records problematic, in many cases the

advice being that the relevant records need to be retained indefinitely.

Take the example of a builder who negligently ignores the plans for the roof structure of a hostel, omitting beams and bracing and using timber of a lesser size than that specified in applicable building codes. Nine years later, the roof trusses shift due to the lack of support, causing the roof line to sag, the ceiling to crack and, a few days later, the complete collapse of the roof structure. The defective works first come to the attention of the owner when the roof started to move – prior to that the hostel was entirely functional.

In this example, the owner's 'cause of action' against the builder for negligent building work arose when the ceiling cracked, nine years after the works were performed. There is a 10-year ultimate limitation period in respect of building claims^{xxii} but its commencement relies upon the issue of an occupation certificate. Occupation certificates are sometimes not required or simply not procured. If an occupation certificate does not issue, the limitation period for professional negligence claims against the builder has the potential to be well beyond six years from the date the work was done and is only determinable upon the date of the loss or damage being known. If however an occupation certificate was issued, the builder's contracts, technical records, correspondence and notes in relation to such work would need to be retained for 10 years from the date on that certificate.

Electronic retention of records

The *Electronic Transactions Act 2000* (NSW) and *Electronic Transactions Act 1999* (Cth) provide that where legislation requires a document to be retained the document can be retained in electronic form.^{xxiii} This means that documents can be scanned and kept on a computer disc – a comparatively economic and certain way of storing documents.

Document retention policies

Many (particularly large) businesses have document retention policies which dictate the length of time documents are to be retained, their storage format, storage location(s), storage security, document retrieval and the manner in which documents are destroyed. Such policies are normally designed with the statutory obligations in relation to records and privacy in mind. Document retention

policies have been an area of particular interest since the decision of the Victorian Supreme Court in *McCabe v British American Tobacco Australia Services Ltd* (2002)^{xxiv} in which British American Tobacco's defence to a personal injury claim for damages was struck out for failing to comply with an order for discovery of documents by reason of failing to give adequate details concerning the documents it said had been destroyed. While it was overturned on appeal,^{xxv} the significance placed on the design intent of British American Tobacco's document retention policy and its implementation highlighted the need for businesses to carefully monitor the implementation of similar policies and to avoid the destruction of documents when aware that litigation in relation to them is anticipated, or even merely possible.

Conclusion

Decisions about the period for which financial records are retained will largely be determined by the *Corporations Act*, the various taxation laws and profession specific legislation such as the *Property Stock and Business Agents Act*.

The files of professional services businesses present a more complicated picture as, although limitation periods are prescribed by the *Limitation Act 1969*, an applicable period may not commence to run until the loss or damage has become apparent. Indeed in some instances this results in a quite indefinite limitation period.

The volume of business records can often be reduced through implementing and monitoring a document retention policy which includes an assessment of the likelihood of a future claim. Many transactions are not exposed to the possibility of such a claim and even if they are, an analysis of the records is likely to disclose that many documents do not require retention. It is important, however, where the subject matter of the transaction is still in existence and a negligence claim is a possibility, that the potentially useful documents are retained. As a general rule, business records that relate to a potential or unresolved dispute or a claim in any court or tribunal must not be destroyed.

Robert Riddell is a partner of Gadens Lawyers specialising in property and construction law. Daniel Fitzpatrick is a solicitor working in Gadens Lawyers construction group. ♦

IT IS IMPORTANT ... WHERE THE SUBJECT MATTER OF THE TRANSACTION IS STILL IN EXISTENCE AND A NEGLIGENCE CLAIM IS A POSSIBILITY, THAT THE POTENTIALLY USEFUL DOCUMENTS ARE RETAINED.

Disclaimer

This article is of a general nature and should not be relied on as a definitive or complete statement of the relevant laws nor considered as legal advice.

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- ix Division 121 *Income Tax Assessment Act 1997* (Cth)
- x Sections 103 and 104(2) *Property Stock and Business Agents Act 2002* (NSW)
- xi Clause 35 of *Property Stock and Business Agents Regulation 2003* (NSW)
- xii Sections 102 and 110 *Property, Stock and Business Agents Act 2002* (NSW)
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Truth in advertising



BY TORQUIL MURRAY

MARKETING AND ADVERTISING OF PROPERTIES CONSTITUTES A SIGNIFICANT NUMBER OF CLAIMS AGAINST REAL ESTATE AGENTS. THE CONSEQUENCES OF A MISTAKE AT THIS STAGE OF A SALE TRANSACTION CAN LEAD TO THE LOSS OF A SALE WITH EXTREME FINANCIAL PENALTIES.

An agent should endeavour to put as much 'protection' between themselves, their client and the public as possible.

ONCE ADVERTISEMENTS HAVE BEEN DRAFTED, THEY SHOULD BE REFERRED TO THE VENDOR FOR APPROVAL AND RETAINED ON THE FILE INDICATING THE VENDOR'S CONSENT.

When it comes to marketing and advertising, the predominant type of claim against real estate agents at the present time is misleading and deceptive conduct. Litigation is always expensive and time-consuming. An area of expense not often considered is the time devoted by an agent to defending his or her position. The time lost in court and in providing instructions prior to the hearing can be extensive. I recall the disbelief expressed by an agent from Wollongong when he needed to spend a week in the Federal Court defending a statement that he had made during the sale of a business.

Most cases invariably involve a dispute between a vendor and purchaser. Often the agent is dragged into the claim as an afterthought. No matter how the agent is joined, the agent is forced to defend themselves. It can be difficult to extricate the agent from the fight which then develops.

The most common areas of concern at the present time are:

- underestimation of the price at which the property is offered for sale;
- disputes as to whether or not there is truly a second or any number of other purchasers interested in the property;
- disputes over zoning and property use as well as affectation by adjoining properties;
- misdescription as to size of either the property for sale or the floor area of an ultimate property that might be available for lease following its construction; and
- misdescription of inclusions forming part of the property for sale.

One of the primary means of avoiding or sharing liability is to obtain a signed consent to an advertising schedule and expenditure. Once advertisements have been drafted, they should be referred to the vendor for approval and retained on the file indicating the vendor's consent.

Don't guess

When making representations, it is important that they be restricted to the bounds of an agent's authority. If a question is asked by a prospective purchaser that raises doubt, the vendor's instructions should be sought. If those instructions cannot be obtained easily, the matter should be referred

to the vendor's solicitor, architect, engineer, surveyor or accountant. An agent's research in these areas should be noted on the file. Under no circumstances should the answer given to a prospective purchaser be a guess. I cannot overestimate the importance of making, keeping and retaining contemporaneous notes.

Auctions

In an auction campaign, it is vital that adequate research is undertaken to establish comparable sales evidence so that a later examination of the agent's estimate is not scrutinised by the Office of Fair Trading pursuant to section 72 of the *Property Stock and Business Agents Act 2002*. That section prohibits an agent from making false representations with respect to the agent's true estimate of the selling price.

Disclaimers

An avenue of protection for an agent is the use of an adequate disclaimer.

To be effective, a disclaimer must appear on the same page upon which the representations are made. It must be in the same size, style and colour font as the representations being passed on. The most important ingredient of a disclaimer is that it disclaims a belief, one way or the other, as to whether or not the information being passed on is accurate. The need for a prospective purchaser to make his or her own inquiries is also an essential ingredient. If it is possible to identify the source from which the information is obtained, that should also be included.

Pictures

The Office of Fair Trading is now taking action in matters where it discovers inaccuracies in picture advertising.

WHEN IT COMES TO MARKETING AND ADVERTISING, THE PREDOMINANT TYPE OF CLAIM AGAINST REAL ESTATE AGENTS AT THE PRESENT TIME IS MISLEADING AND DECEPTIVE CONDUCT.

Care must be taken to ensure that accurate photos are used or an explanation is offered as to the source of the photograph.

Insurance

No matter how careful an agent may be, mistakes can still be made. Professional indemnity insurance will help to cover your expenses if you do find yourself caught in litigation related to marketing and advertising.

In difficult financial times, people look for a means to recoup losses that they perceive they have made. Agents should be aware that they are an easy target for a disgruntled vendor.

Torquil Murray is a Partner at TressCox Lawyers and is a legal adviser to RealCover. ♦

Up in smoke



BY PETER LYNCH

IMAGINE ONE MORNING THAT YOU WAKE UP TO DISCOVER THAT OVERNIGHT YOUR OFFICE HAS BEEN DESTROYED BY FIRE. HAVE YOU EVER THOUGHT ABOUT HOW YOU WOULD HANDLE THAT PROBLEM?

It is a known fact that the majority of businesses in Australia are underinsured. That doesn't necessarily mean they don't have enough insurance in the event of a fire or a similar disaster. What it does mean however is the majority of Australian businesses have inappropriate insurance – insurance that doesn't take into account the specific requirements of their business.

Let's look at a real estate agency for example. Some of the issues that you would need to consider immediately if the worst happened would be:

- Where can I temporarily relocate?
- What will it cost?
- How will I inform my clients where I am?
- How long will I be there for?
- What will I do with my staff? Will I have to send them on holidays, do I need them any more or will I just have to close up the business for a while?
- How much and how quickly will I be able to replace the equipment that was in the office? More importantly, how will I reinstate all of my computer records?

THE MAJORITY OF AUSTRALIAN BUSINESSES HAVE INAPPROPRIATE INSURANCE – INSURANCE THAT DOESN'T TAKE INTO ACCOUNT THE SPECIFIC REQUIREMENTS OF THEIR BUSINESS.

Did I keep a back up? Where did I put it?

- What about those hard files? If I didn't need them I wouldn't have kept them!

Presumably you would now have to replace a lot of contracts and related documentation, each of which will involve having to go to the respective authority and obtain a copy, not only using up valuable time, but also money in the process.

When the majority of real estate offices are asked about fire insurance, all they consider is the replacement cost of the contents. Crucial matters like business interruption, re-writing of records and reinstatement of electronic and hard data can often be ignored.

In this day and age, insurance has unfortunately become considered as a commoditised product and people sometimes consider that buying an insurance company's 'off the shelf' product will serve their needs. Quite simply though, if it hasn't been created with the industry in mind and with a thorough understanding of the unique nature of the industry's requirements,



it is likely that you will be caught short when you have a claim.

The other unfortunate matter is that disasters do happen. As a general rule, Aon sees between two and five real estate office fire claims each year. The one thing that we have been able to learn is the need to make sure that the insurance company reacts quickly and efficiently, and does not stumble their way through the claim oblivious to the particular needs of a real estate agent.

The most crucial thing when a fire occurs is time. The amount of time to re-establish, the amount of time to advise everyone, and most importantly the amount of time to actually make decisions by the insurance company.

CRUCIAL MATTERS LIKE BUSINESS INTERRUPTION, RE-WRITING OF RECORDS AND REINSTATEMENT OF ELECTRONIC AND HARD DATA CAN OFTEN BE IGNORED.

Make sure your insurance broker understands your business. Make sure you are not being sold the product they sold the local green grocer or the corner store. Make sure your insurance broker takes into account your special needs. Because

Mortgage or super?

CONVENTIONAL WISDOM SAYS THAT YOU SHOULD PAY OFF YOUR HOME MORTGAGE AS QUICKLY AS POSSIBLE. HOWEVER, RECENT CHANGES TO SUPERANNUATION HAVE MEANT THAT THIS MAY NO LONGER BE THE BEST ADVICE FOR EVERYONE.

Those in their 50s who are earning good incomes but still have a home mortgage may be better served by minimising their mortgage payments and contributing the difference to their superannuation fund via salary sacrifice.

Essentially this strategy involves taking advantage of superannuation tax concessions to fund your wealth. The key factors are:

- Mortgage payments are made after income tax. For higher income earners this can mean that up to 46.5% is deducted i.e. for every \$1,000 you earn, \$535 will be left after tax to contribute to your mortgage.
- Salary sacrificed contributions are subject to 15% tax i.e. for every \$1,000 you earn, \$850 would be credited to your super fund via salary sacrifice. This means that you can cut down on the amount of money you put into your mortgage and instead put that money into super – and in fact put even more than that into super – and still end up with the same net income.
- When 60, your super is tax free. At this time you can draw on your super to pay out your mortgage,



either in a lump sum (subject to meeting a condition of release – usually retirement) or in the form of a tax free pension.

To minimise mortgage payments there are two options – the simplest being to convert from a principal and interest to an interest only mortgage. If this is not available, the alternative is to extend the term of the loan.

This strategy is not for everyone and requires personalised calculations to determine if it will be of benefit for you. We encourage you to seek professional financial advice before considering this strategy. Rei Super Elite advisers are able to assist with this advice.



For more information email mso@reisuper.com.au or call 1300 134433 and ask to speak to an Rei Super Elite adviser in your area. ♦

Disclaimer

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Rei Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 Rei Super ABN 76 641 658 449 RSE R1000412

Case study

Bob is 50 and earns approximately \$120,000 a year as a real estate sales person. He currently has a mortgage of \$150,000 on his house which he is paying 8.5% p.a. interest on a principal and interest loan that has 10 years to run. Bob intends to retire at 60.

Option 1: Bob continues with his current arrangements.

He pays \$1,860 per month or a total of \$223,300 after tax into his mortgage in the next 10 years to own his home at age 60.

Option 2: Bob changes his mortgage to interest only.

He pays \$1,062 per month or a total of \$127,440 after tax as interest on his mortgage in the next 10 years. The difference of \$798 per month is put into his super instead of his mortgage.

Because he uses a salary sacrifice, the \$798 after tax figure works out to be \$1,364 pre tax that he puts into his super.

In 10 years' time his mortgage is still \$150,000. Bob's super has received an additional (net of 15% contribution tax) \$139,128 in personal contributions. Assuming an investment return of 7% on these contributions, in 10 years Bob would have accumulated a super balance of around \$200,600 which at 60 is now tax free. He can then pay out his mortgage of \$150,000 leaving him with an additional \$50,605 for his retirement. ♦

the time for identifying those needs is now, not after the claim has occurred.

For further information contact Aon's Real Estate Agent Hotline on 1300 734 274. ♦

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.

Switched on

Savvy borrowers may find themselves thinking about switching loans, now that the banks have raised their mortgage rates. Which is best – leave as is, refinance to a fixed rate, extend the loan term, refinance to a new loan or refinance to a new lender altogether?

Mortgage Choice National Manager Corporate Affairs, Warren O'Rourke said borrowers first have to weigh up the rates increase against their needs, wants and financial situation.

"There are many aspects to a home loan apart from the interest rate and which are most important to each person depends on their individual circumstances," he said.

"It is always a good idea for borrowers to reassess their home loan situation when it changes or they are being stretched monetarily. During this current 'credit crunch' situation it is just as, if not more, important than ever."

He suggested that borrowers annually research their options to ensure their home loan is still the best choice for them.

"While considering refinancing, it is of utmost importance to take into account break costs, application fees and the like when estimating the dollar benefit provided by switching loans," Mr O'Rourke said. "Borrowers must also remember that today's best interest rate may not be tomorrow's".

The cost to switch can range from hundreds to thousands of dollars, depending on the lenders and loans involved.

More often than not, the positives outweigh the spend.

According to the latest Mortgage and Finance Association of Australia and BankWest survey, 88% of people who changed mortgage providers when refinancing their home loan benefited in some way. Of the respondents who benefited: 70.4% received a lower interest rate; 64.8% received better loan terms and conditions; 61% received better service; and 48.1% received a better fee package. ♦

LENDING A HAND:

Apartments bounce back



BY ROBERT PROJESKI

The recent rise in interest rates has made it harder for first home buyers to get a foot in the door. First home buyer loans now make up 17% of the loan market, which is lower than historical levels.

Due to the lower entry prices, less maintenance costs and greater affordability, first home buyers are leaning toward units, apartments and townhouses versus free-standing dwellings.

The latest data provided by the Australian Bureau of Statistics showed that new apartment/unit development approvals in Sydney rose to 1,805 new units in November 2007, more than triple the figure from the previous month. This is further evidence of the trend toward lower entry cost and low maintenance dwellings, both for owner occupiers as well as for property investors.

The volatility of the share market has also motivated investors back into property and the high demand for rental property (vacancy rates down to as low as 1%) and the increasing rents are all assisting in pushing residential yields to 4%-5% in Sydney, Brisbane and Canberra. In addition, the potential for capital growth makes units an attractive investment option with agents reporting a dire shortage of rental stock.

As the local market is becoming more of a buyer's market, it offers opportunity for the first home buyer or small time investor to get in at an affordable level. Growing rental demand and hence rental returns is a healthy sign for the confidence coming back into the local property market.

However with loan costs now higher and further interest rate increases likely, it is imperative to really do your homework to find the loan most suited for you.

Robert Projeski is Managing Director of Australian Mortgage Options.

For more information visit www.amo.com.au ♦

WISE INVESTMENT:

Buy, renovate, sell



BY CHRIS GRAY

It's easier to buy and sell properties that are in great condition. If managed correctly, renovating can reap great rewards for investors. Demand for properties that need work can be lower as not everyone has the time or can afford the extra cash. That can drive down the price and increase the profit potential for buyers who are happy to manage a renovation.

However, risks are involved. Just as with property purchases, renovations require careful planning and execution. Here's how.

Choose properties that need mainly cosmetic work

Avoid properties with structural damage, as this is often when expensive problems occur. Leave that part to the experts.

Find a valuer

One of the biggest misconceptions investors have is that the more capital they spend on a property, the more profit they will make. This isn't always the case. A valuer can tell you if your \$50,000 kitchen renovation will actually add \$50,000 to your home's value.

Use a project manager

There are too many risks involved in managing a project alone. Some tradespeople capitalise on investors' lack of experience in terms of cost, timelines and attention to detail.

By handling the renovation yourself, you may save money initially, but hiccups along the way may turn your \$40,000 renovation into a \$60,000 to \$80,000 job – and it would likely be over two months rather than four weeks. A good project manager will have experience in completing renovations on time and within budget.

Be realistic when doing it yourself

If you're a novice, there's a good chance you'll under-budget the true costs. My tip is to double your expected cost and then work out if you're still going to make a profit. Unavoidable costs often arise from

unexpected structural flaws in the property.

What happens when it works well

If you've done your research, if your investment property is purchased well, if the renovations are done correctly and with the right advice, tens of thousands of dollars in equity can be made in the first year alone.

Hold on, or sell?

With such high transaction costs in property, even if you do make a small fortune by renovating, you may lose the majority of it in selling costs, stamp duty, capital gains and buying into the next project. Work the numbers because often by refinancing you can hold onto your profits and buy another deal. Is it worth making \$100,000 to end up with \$25,000 in your pocket?

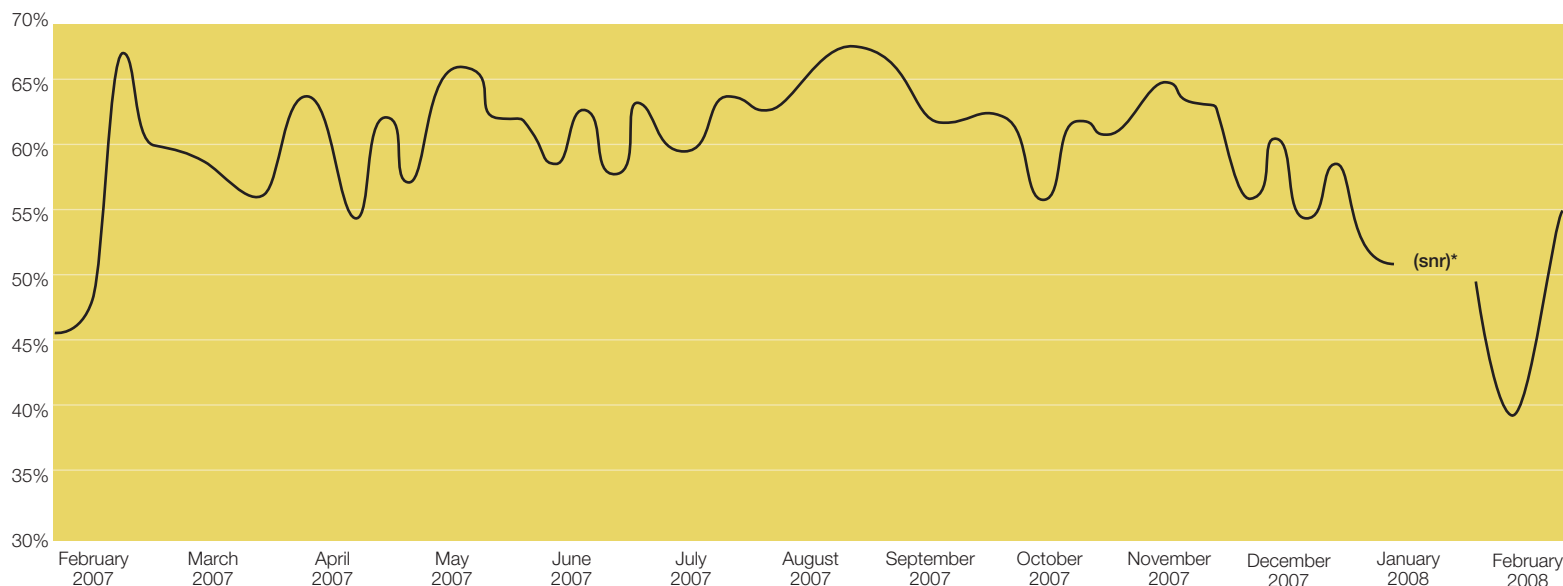
Chris Gray is the Property Expert on Channel 9's MyHome TV, and author of Go For Your Life: How to Turn Your Weekdays into Weekends Through Property Investing. For more information and for Chapters 1-3 of his book for free, visit www.goforyourlife.com ♦

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
3/2/08	4	snr	6	83.3%	2	snr	1	snr	86	55.91%
27/1/08	0	snr	0	snr	1	snr	1	snr	7	44.44%
20/1/08	0	snr	0	snr	0	snr	0	snr	8	40.00%
13/1/08	0	snr	0	snr	0	snr	0	snr	2	50.00%
6/1/08	0	snr	0	snr	0	snr	0	snr	0	snr
30/12/07	0	snr	0	snr	0	snr	0	snr	0	snr
23/12/07	12	64.3%	11	81.8%	10	66.7%	10	63.6%	124	51.80%
16/12/07	68	57.7%	54	69.1%	51	46.9%	90	67.0%	567	53.82%
9/12/07	100	74.4%	49	70.0%	84	68.7%	83	69.9%	632	59.03%
2/12/07	92	62.6%	47	53.1%	84	66.7%	90	67.7%	631	55.40%
25/11/07	58	71.9%	18	57.9%	38	68.2%	96	72.4%	333	61.44%
18/11/07	99	75.7%	59	71.0%	86	57.6%	97	62.9%	640	56.80%

Sydney auction clearance rates



* Sample not reliable

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
3/2/08	22	20.83%	19	11.5%
27/1/08	1	snr	4	snr
20/1/08	1	snr	3	33.3%
13/1/08	0	snr	0	snr
6/1/08	0	snr	0	snr
30/12/07	0	snr	0	snr
23/12/07	3	33.33%	2	66.7%
16/12/07	32	40.00%	21	38.1%
9/12/07	37	22.73%	24	38.5%
2/12/07	23	26.92%	36	50.0%
25/11/07	11	25.00%	7	28.6%
18/11/07	10	30.00%	22	43.5%



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

"The real estate industry is watching these leading indicators anxiously. With the RBA so aggressive with its war on inflation, the jury must still be out on what the latest auction clearance rates and the nervous first steps of the 2008 property market will mean for the rest of the year."

Membership in briefs

FOR THE CONSUMER: Professional assistance can pay

A pdf version of this article is available with the electronic version of this article on www.reinsw.com.au in the 'Knowledge Centre', which members can print out in their office and hand out to consumers or reproduce in their own newsletters.

Do you own an investment property? If so, it's a good idea to use the services of a professional when renting it out as trying to do this yourself could end up costing you both in time and money.

Some of the stories told by professional property managers would convince the staunchest do-it-your-selfer that this job is not for the faint-hearted or the amateur. There is the case of a landlord who self-managed his properties and who failed to provide the tenants with proper notice when he wanted to increase the rents. When the tenants failed to pay the extra amount, he evicted them and went to the Consumer Trader and Tenancy Tribunal (CTTT) – the dispute resolution forum for consumer, trader and tenancy-based matters – to try and obtain the outstanding money. However, because he had breached the rules, CTTT stopped him from recovering the unpaid rent and took further action for illegally forcing his tenants to leave.

Do you know what to do if your investment property appears to have been abandoned by the tenants?

They have gone and not let you know where, why or how. You can't simply assume the tenant has left for good and throw out or sell any goods left lying around, because the CTTT has strict guidelines that must be followed in such situations.

Most real estate agencies have professional property management staff used to dealing with situations such as these and who are on top of all the many rules and regulations. Residential property managers' sole job is to manage rental properties, carrying out a myriad of duties from finding tenants and ensuring the rent is paid to organising repairs and dealing with any day to day problems that might arise.

While you may like the idea of having a close relationship with a tenant of your choice, it is worth considering what might happen if the trust and friendship between you breaks down – as it can – and you find yourself unable to deal with a person in a situation that is less chummy than it was.

As professionals, property managers can deal fairly and equitably with both you and the tenant in your property. They know the market and will be able to negotiate rent increases for you, they can advise you on what sort of insurance you should have and they can make you aware of any safety breaches you might be committing if your property is unsound in any way. ♦

Members on the move

Has someone recently joined your office? Let others know the good news by publishing the move in the *Journal*.

Email *Journal* editor Roslyn Alderton at ralderton@reinsw.com.au if you would like the move to be included in a new 'members on the move'

section. Please note that the person must be an individual member of REINSW (not just working in a member firm) and you must include the name of their former place of work, for example "Joe Bloggs, formerly of Smith Real Estate, has joined Brown Real Estate as a residential sales agent." ♦

Product of the month



REAL ESTATE LETTERS &
PROFIT FROM PROSPECTING
BY DOUG MALOUF

RRP: \$77.00
REINSW MEMBERS: \$69.30

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An exchange of ideas



BY PHILIP WEBB
PRESIDENT - FIABCI AUSTRALIA

There are many benefits that membership of FIABCI can bring to different people in the real estate industry. In fact, whilst opportunities to network and travel the world are of obvious benefit to those of us who have been in the business a while, there are other facets of membership that bring unexpected benefits when we least expect it.

I was reminded of this recently when my family agreed to host a

young real estate professional as part of FIABCI's International 'Work Experience & Exchange Program'. This much-overlooked program allows members to gain a first hand perspective of real estate practices in other countries with the support of the FIABCI organisation.

My experience of this program has been very favourable as my son, Anthony, gained valuable work experience in London and Ireland last year through its auspices. In turn, contacts we made during Anthony's stay opened doors for my daughter to gain employment in London once she finished her law degree.

With this in mind, we had no hesitation in welcoming a recent graduate and FIABCI member from Europe who spent several weeks working with my



sales team before heading to Sydney. She also planned to undertake work experience in Singapore and Paris prior to returning to Germany ... how's that for broadening your horizons?!

Coming from a real estate family in Hamburg, Anna was able to share many insights with my staff on the differences between real estate in our respective countries. In fact, I think it is fair to say that my staff gained almost as much of an international perspective as Anna did during her stay.

Here in Australia, the growth of the 'Young Members' group within FIABCI was confirmed when a number of its members joined the large Aussie contingent at the World Congress in

Barcelona. It was great to see these younger members were able to link up with many of their peers from around the world and swap notes on the issues that directly affect them.

So if you are discussing future plans with your younger staff members, why not remind them of the opportunities that FIABCI can offer them? With a busy year ahead, including the 2008 World Conference in Amsterdam, you never know when having a staff member with genuine international experience might be the difference between winning that next listing and losing it.

If you would like to know more about FIABCI membership, please contact Philip Webb on (03) 9874 3355. ♦



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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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- Terry Bennett, LJ Hooker Commercial Parramatta

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