

Journal

MAY 2008
VOL 59/04

**Skills
shortage
for property
valuers**

**Tube train
for Sydney:
just a pipe
dream?**

**young
agents
reach
new heights**



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- Tea Gardens Real Estate on phone (02) 4997 1300, email rick@teagardensrealestate.com.au or visit www.teagardensrealestate.com.au.

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REINSW CEO Tim McKibbin was the voice of sanity in a colourful spot on Channel Seven's *Today Tonight* featuring heated exchanges between an out-of-control landlord and her tenant. The latter captured his landlady's expletives and rants on his mobile phone and posted them onto YouTube, in a piece that made for entertaining current affairs TV. Brought in to comment, Tim had the ideal opportunity to argue REINSW's position – that it is much wiser to rent through an agency using experienced property managers than to rent from a sole operator such as the landlady in question.

In the realm of print, REINSW President Steve Martin and Vice President Wayne Stewart have been widely quoted responding to journalists' questions about the shortage of rental property and what should be done about it. Their response was to reiterate what REINSW has been saying for some time: that land taxes should be further reduced as an inducement to bring property investors back into the market.

The vacancy rate story was picked up by the *Sunday Telegraph*, the *Australian Financial Review*, the NineMSN website, ABC Online and in some of the regional papers serving towns where the start of the 2008 university year has seen students finding it very hard to find anywhere to rent.

You can find out all the recent media activity of REINSW by visiting www.reinsw.com.au, clicking on the Knowledge Centre and then selecting News Centre.

PRESIDENT'S MESSAGE



NSW Government must stop sitting on its hands

Each month the rental figures worsen and each month the NSW Government continues to sit on its hands.

In March residential vacancy rates hit new lows not only in Sydney but in regional towns as the start of the university year saw the shallow pool of available rental property pretty much dry up. In the middle ring of Sydney – areas close to tertiary institutions such as Sydney University and Macquarie University – there was a vacancy rate of only 0.7%.

This is disastrous in a number of ways, not the least of which is that it discourages NSW's young and talented, who feel that the state can't provide them with what they should reasonably expect – somewhere to live while they study or start their career. Already there is evidence of a brain drain to areas such as South East Queensland and a recent Sydney Chamber of Commerce survey found that one in five Sydneysiders had considered leaving the city due to problems with finding accommodation.

REINSW is renewing its call to the State Government to do something about the lack of rental accommodation and to do it now because if it does not do so, the NSW economy stands to be seriously affected. We believe the time for tinkering at the edges is over.

What is needed is for land tax and stamp duty on property to be abolished. These taxes are inequitable and penalize property investors – the very people that need to be encouraged in order to ease the current rental accommodation crisis.

It's the issue at the top of the agenda for the Political Advisory Committee. To find out more about the committee's activities, see p11.

Steve Martin
REINSW President

NEW MEMBERS

Century 21 Cordeau Marshall Lindfield
9 Lindfield Avenue
LINDFIELD NSW 2070

Century 21 Cordeau Marshall St Ives
186 Mona Vale Road
ST IVES NSW 2075

Century 21 Cordeau Marshall Turramurra
1301 Pacific Highway
TURRAMURRA NSW 2074

JM Realty
100-102 Walker Street
CASINO NSW 2470

Laing + Simmons Campbelltown
Shop 311
147-157 Queen Street
CAMPBELLTOWN NSW 2560

nOcommission.com.au Pty Ltd
26 Ethel Street
BALGOWLAH NSW 2093

Opendoor Property Management
3-5 Young Street
NEUTRAL BAY NSW 2089

Oz Combined Realty Bay and Basin
4 The Promenade Owen Street
HUSKISSON NSW 2540

Raine & Horne Swansea/Caves Beach
172 Pacific Highway
SWANSEA NSW 2281

Raquel Real Estate Pty Ltd
Shop 5, 28 Patrick Street
BLACKTOWN NSW 2148

Xpress Realty
339 Windsor Road
BAULKHAM HILLS NSW 2153



They-pay-more

LJ Hooker Double Bay agent, Rick Nolasco, has smashed the record for Australia's most expensive home, selling for \$32.4 million.

The property, known as Craig-y-mor on Wolseley Road, Point Piper, was sold by businessman, Ben Tilley, who bought the property in 2004 for just over \$16 million, from the late stockbroker, Rene Rivkin.

Rick Nolasco said that the five bedroom property was one of Australia's most desirable homes in the most sought-after street in Sydney's eastern suburbs.

"This property has a prize view that looks directly at the Opera House and the Harbour Bridge," Rick said.

Century 21 goes on YouTube

Century 21 Real Estate LLC's global head office in the United States has launched a branded Channel on YouTube that is dedicated to helping people showcase and search for real estate around the world.

Instead of the traditional photographs, virtual tours and videos on today's real estate sites, videos uploaded by agents and sellers on YouTube will have a personal touch that can help a prospective buyer better decide which homes may be right for their needs.

A video voiceover can highlight areas of interest in the home, as well as showcase recent home upgrades or renovations to the potential buyers.



Raine & Horne launches low-cost virtual tours

Raine & Horne plans to slash the cost of virtual tours with the launch of RH Virtual Tours, which use special cameras that capture wall-to-wall images with a single camera click.

The technology will cut out the cost of technicians required to record and edit the footage.

"In the past, virtual tours were primarily used to promote prestige homes and rental properties," said Raine & Horne CEO, Angus Raine. "Depending on the number of rooms, a virtual tour could cost between \$400 and \$800, making it unaffordable for vendors. Now the costs will be negligible for consumers."

RH Virtual Tours will be rolled out by Raine & Horne's offices in NSW, ACT and WA from early April 2008.

Goulburn business park approved

A business park on the outskirts of Goulburn has received concept approval under the NSW Government's Part 3A process.

The 263-hectare Southern Distribution Business Park development is expected to begin construction in 2009.

The park will provide an integrated logistics, service, and industrial warehousing and distribution hub adjacent to the Hume Highway between Sydney and Canberra.



Outer space

More than 1 million square metres of industrial space is set to come onto the Sydney market in 2008, much of that in the Outer West, according to a new report by Knight Frank.

The *Sydney Industrial Market Overview* said a number of speculative developments were reaching their completion.

"New supply in 2007 reached record highs, with 921,221 sq m completed, with the Outer West housing 56% of this new stock," the report said.

"2008 is set to exceed this record ... and break the 1 million mark with 1.31 sq m due for completion."

This is likely to "constrain rental growth and result in a temporary spike in vacancy as the market absorbs the new space," the report said.

MAXimising brochures

RE/MAX Australia has launched a suite of customisable marketing tools for all its member offices.

The RE/MAX Design Centre includes brochures, flyers, virtual tours, slideshows, and multimedia presentations – complete with web traffic reporting. It is accessible for RE/MAX offices via a member-only website.



Fresh name for Harbord

The suburb beside Freshwater beach, near Manly, has officially changed its name from Harbord to Freshwater following a five-year campaign by local businesses.

Frank Minnici, President of the local Chamber of Commerce, said the suburb was actually reverting back to its original name, which was changed to Harbord in 1923 to shake off an undesirable image gained from troublemakers in the area at the time.

Mr Minnici said the latest name change was partly to remove the inconvenience of people asking where Harbord was – the typical answer from residents and businesses was “near Freshwater beach”.

“Harbord was the only beachside suburb that wasn’t called the same name as the beach,” he said.

Local press suggest that the name change actually has more to do with giving the suburb a more attractive name in the hope of pushing up property prices.

Mr Minnici denies this is the case, pointing out that it’s one of the priciest suburbs in Sydney anyway.

“Whether it’s Harbord or Freshwater, [the suburb] will still be well sought after and pretty expensive. Either name would attract a very expensive price tag,” he said.

Doing it tough

Families struggling to meet their mortgage repayments, food and fuel bills will have access to free financial advice under a NSW Government plan.

The plan includes an extra \$1 million for financial counsellors and \$840,000 to fund interest-free loans of up to \$1,000 to buy essentials such as whitegoods and furniture.

The move has been welcomed by charity organisations, who have been overwhelmed by the number of people in mortgage crisis seeking help.

Tax help for small businesses

As part of the Small Business Assistance Program, the Tax Office is offering to visit small business owners to help them better understand their tax and superannuation obligations.

Tax officers can visit business owners at their premises or a preferred location anywhere in Australia.

To arrange a visit, go to www.ato.gov.au/business or call 13 28 66.

Dishwasher warning

The NSW Office of Fair Trading has issued a warning about dishwashers purchased since April 2007 that can catch fire.

“A fault with a wire connector within the appliance has caused plastic components to melt in the control panel and in some cases has caused the dishwasher to catch fire,” said NSW Fair Trading Minister Linda Burney. They have been 53 reported incidents involving these dishwashers.

The affected dishwasher models are:

- Electrolux brand models EX401ISB and ESL6163
- Electrolux Dishlex brand models DX303SK and DX303WK
- Westinghouse brand models SB908WK, SB908SK, SB916SK, SB926WK and SB926SK.

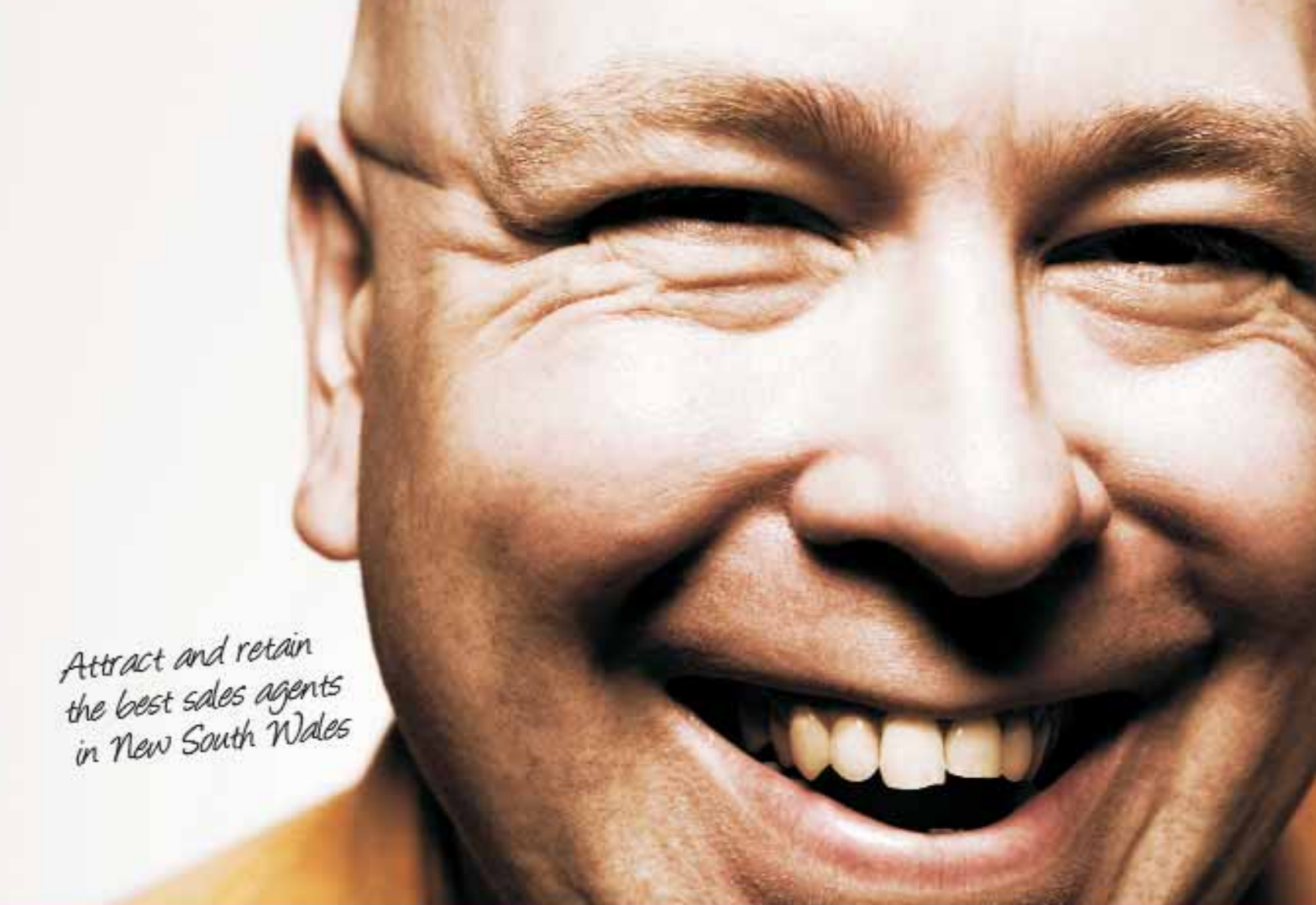
In each case, the serial number range is between 70700000 and 72400000.



Chifley building

Sydney’s cityscape will soon feature a new landmark, with plans for a new office building in the iconic Chifley Square.

A Stage 2 DA has been lodged with the City of Sydney for the joint Mirvac and AustralianSuper project for 8 Chifley Square.



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Waiting for the train



BY ROSLYN ALDERTON

A EUROPEAN-STYLE UNDERGROUND EXPRESS TRAIN FROM THE CITY TO SYDNEY'S NORTH-WESTERN SUBURBS SEEMS AN IDEAL TRANSPORT SOLUTION FOR RESIDENTS OF THIS FAST-GROWING DISTRICT – IF THE RAIL LINE EVER GETS BUILT.

The recent announcement by the NSW Government of a \$12.5 billion Metro train line from the city to Rouse Hill almost seems too good to be true.

For years residents in Castle Hill, Kellyville and Rouse Hill have been crying out for better access to public transport. While road access has improved dramatically since the opening of the M2 motorway and the upgrade of Windsor Road, it hasn't been enough.

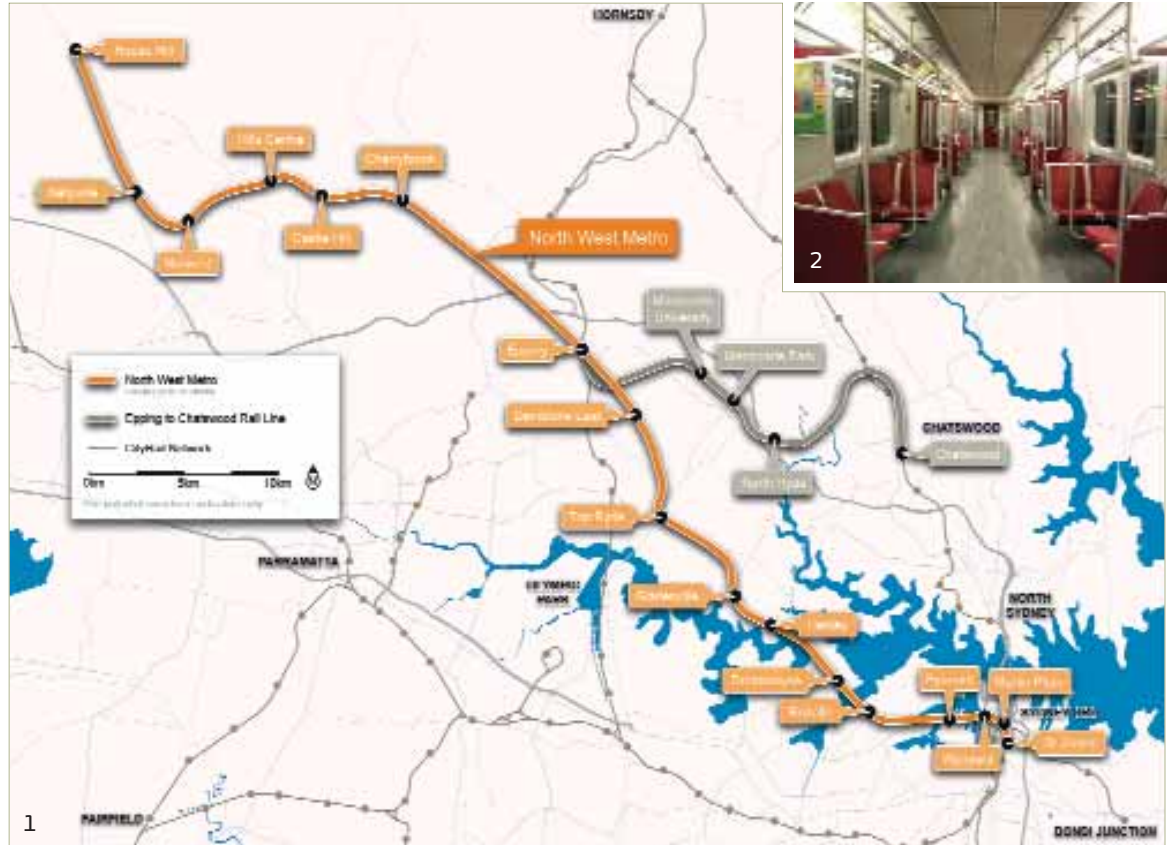
"The Hills district desperately needs something," said Shawn Crockford, Licensee-in-Charge at LJ Hooker Kellyville. "What they have done with our roads has been a vast improvement, there's no doubt about that. But we still don't have any real access to public transport."

Shawn described the M2 bus service from Castle Hill to the city as a "stop-gap measure". "It doesn't satisfy mass transit," he said.

Now the lemma Government has announced plans for a 38km rail line from the city, with 32km of that line going underground. It would be serviced by a single-deck, multi-door train, similar to the trains used in London's Tube system. Trains would arrive every few minutes and could transport up to 60,000 people an hour.

The rail line would have 17 stations and would be built in two stages, with the line to Castle Hill expected to be completed by 2015 and then extended above ground to Rouse Hill by 2017.

The Metro will not connect to any of the existing CityRail lines, with NSW Premier Morris lemma describing it



1. NORTH WEST METRO LINE PROPOSED ROUTE
2. THE METRO TRAIN WILL BE A SINGLE DECK TRAIN WITH MULTIPLE DOORS.

as a move to "break free" from the CityRail system.

This is a departure from a previous plan for a North West Rail Link that would service similar suburbs but would be connected to the CityRail network at Epping. That plan – which was also expected to have opened by 2015 – has now been scrapped.

"IT WILL DEFINITELY BRING A LOT MORE INTEREST TO PARTICULAR SUBURBS THAT HAVE SUFFERED FROM TRANSPORT ISSUES IN THE PAST."

"To me, it's almost like a delaying tactic," said Shawn. "It almost seems like an excuse for doing more surveys and studies. If you change your plan, it buys you another five years."

Grant Beaumont, Manager at Norwest Commercial & Industrial Real Estate, is also skeptical.

"It's all rather surprising," he said of the Metro announcement. "For a lot of people, it's come out of thin air."

However Grant believes a Metro train would be a great benefit to the Norwest business park, which would receive its own station under the plan.

"Baulkham Hills Shire Council has one of the highest ratios of car parking to office floor plans in the country and yet we still have problems with car parking, particularly in strata buildings," he said.

"You would expect that the rail link would allow a lot more people to travel in by train."

Gemma Purnell, Marketing Manager at Snowden Parkes Real Estate Agents in Ryde, believes a Metro Line would make Top Ryde – where one of the new stations would be built – more attractive and is likely to translate into higher property prices for the area.

"From a marketing point of view, it will definitely bring a lot more interest to particular suburbs that have suffered from transport issues in the past," Gemma said. "It will

rejuvenate the area and give it a fresher, new outlook."

The region is already benefiting from an upswing of interest, with the expansion of the Macquarie Park business district – where businesses such as Optus have relocated their headquarters – and the anticipated opening of the Chatswood to Epping CityRail line later this year.

However traffic congestion remains a key challenge for the Ryde area, and Gemma believes another train line would help to reduce the problem.

"We very much look forward to the possibility of having it up and running," she said.

The NSW Government says the North West Metro would be the first in a number of Metro lines, including a line west to Parramatta and a line South East to Malabar, while the possibility of a second harbour crossing remains open.

With the current government's track record of 'planning for more planning', residents in those areas – like those in the North West – probably won't believe it until they see it. ♦



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BY DAEL CLIMO

BY 2015, GENERATION Y WILL DOMINATE THE RETAIL MARKET. IF FIRMS MANAGING COMMERCIAL LEASING DON'T GET SAVVY TO THE NEEDS OF TODAY'S YOUNG SHOPPERS, THEY STAND TO LOSE OUT.

Y'topia - capturing retailers' paradise, a report compiled by Jones Lang LaSalle, puts the buying habits and characteristics of Generation Y under the microscope.

This is the group, at present aged between their mid-teens and 30, which will make up 26% of the adult population until 2020. Jones Lang LaSalle predicts it will dominate the retail market like no other generation before.

It is a group with very specific needs and habits, and retailers will need to work hard to adapt their stock mix and how and where they sell in order to attract Generation Y's business.

"Benefiting from the accumulated wealth of their baby boomer parents as well as 17 years of uninterrupted economic growth, Generation Y'ers represent enormous spending potential," the report said.

Gen Y's tend to be risk-takers, thriving on change. The first generation to have been exposed to direct marketing techniques from birth, this group is cynical about any selling method that smacks of opportunism. They are technically adept, have limited brand loyalty and place emphasis on hanging out with friends and entertainment. They like spending, not saving.

Playing with the tenancy mix is going to be increasingly important to get Gen Y interested. This will mean doing away with dedicated fashion, fresh food and restaurant/takeaway areas.

Instead, to appeal to the thinking of "non-structured" Gen Y's, there should be a mix of cheap brands alongside more expensive ones and clothes shops next to cinemas or games venues.

The report notes that e-tailing and the internet is both a real threat and a potential ally. In 2006 alone, internet sales reached \$102 billion, accounting for 7% of consumer spending.

IF THE MIX IS RIGHT AND RETAILERS ARE PREPARED TO EMBRACE CHANGE, THEY STAND TO BE BIG WINNERS FROM GENERATION Y.

On the threat side, online prices are very competitive due to low set up and operational costs as well as the nature of online retailing, which prevents retailers from engaging in price discrimination. Many Gen Ys use shops as 'test centres', trying out or trying on a product before buying it online.

Tactics can be adopted by retail outlets to minimize the negative impact of online shopping on their business, however. One is to choose tenants with unique products and so reduce the risk of losing out to internet sales.

Another is to tap into Gen Y's familiarity with technology through the use of subscriber emails to keep in touch with loyal customers, offer discounts and give information on upcoming events. The provision of WiFi access, or in-store cafes, will encourage Gen Y customers to linger longer and fuses with their desire to spend time



MELBOURNE CENTRAL – LOOKING SKYWARD AT ITS ATRIUM CEILING. PHOTO FROM GPT.

out and about, meeting friends and being entertained.

For an example of a shopping centre that was previously on a downwards spiral but which has been reborn to appeal to Gen Y consumers, retailers can look to Melbourne Central.

The original precinct was closed in 2003 for a full refurbishment after losing its key tenant and attracting few shoppers apart from those visiting scattered specialty shops or passing through to catch the train.

Anchored by a cinema, gym, lounge areas and a bowling area, and with a mix of shops carrying youthful brands, Melbourne Central was relaunched as an integrated retail and entertainment complex. The layout and fit-outs were updated and natural light penetration improved. Dead space was set aside for small and temporary tenancies, increasing the return and improving the ambience.

The result was increased returns for the shopping centre owner with the number of stores growing from 139 to 308. At the end of 2007, Melbourne Central had no vacant tenancies and is seen as a Melbourne success.

As Melbourne Central demonstrates, if the mix is right and retailers are prepared to embrace change, they stand to be big winners from Generation Y. ♦



Mixing it up

According to the Jones Lang LaSalle report, shopping complexes and commercial outlets can ensure they capture cashed-up Gen Ys by:

- Trying out a mix of overseas retailers as well as new local businesses.
- Using 'dead' space under stairs or escalators and within wide walkways to "trial" unproven tenants at low rents.
- Putting in 'pop-up' shops or guerilla boutiques that can quickly draw in the crowds then disappear.
- Trying out unusual brands and products, perhaps exotic restaurants or types of food.

LJ Hooker makeover

As LJ Hooker celebrates its 80th birthday, the company is rebranding over 700 offices throughout Australia and its international offices located in New Zealand, India, China, Indonesia, Vanuatu, Japan, Fiji, Papua New Guinea, Hong Kong, UAE and Korea.

"LJ Hooker is one of the most recognisable brands in Australia with our research showing 100% recall on two of our taglines – 'Thank you Mr Hooker' and 'Nobody Does It Better' – as well as our colours, black, yellow and red," said Managing Director Warren McCarthy.

"The new look brand is a fresh and contemporary version while also keeping the aspects of the brand that Australians recognise and are comfortable with."

As part of the re-image, LJ Hooker will be changing all branded collateral to fit the new look image including signboards, property advertisements, website, office collateral and branded vehicles.

"The new look image is also designed to align all our non-traditional real estate services and create better brand consistency," said McCarthy. ♦



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Let's get political!

CHRISTIAN PAYNE, CHAIRMAN OF REINSW'S RESTYLED POLITICAL ADVISORY GROUP, TELLS DAEL CLIMO ABOUT PLANS GOING FORWARD.

Q. The group has a new name and a new focus. Could you tell me about this?

A: The plan is to strategically lobby politicians from all sides of politics and at both State and Federal level so we can achieve socially-responsible outcomes for property consumers. We have shortened the name to Political Advisory Committee because rather than just getting out there and being heard, we will be working strategically advising the Board on the best lobbying strategy to achieve any desired outcome.

Q: Christian, you are the new Chairman of PAC. Could you tell us why you took on this role, what you want to achieve and how you will work with the Board on PAC issues?

A: The REINSW President's role is to take the Institute's message out to the public. PAC aims to provide him with the best set of tools to get this

job done. This will be achieved through a range of public relations initiatives, from press releases to lobbying politicians and other industry bodies on a face-to-face basis.

Q: What areas will PAC concentrate on in the coming months?

A: Being able to talk to the right people is instrumental in getting our message across so we will be gathering an 'army' of 'political action delegates' (PAD's) willing to take the Institute's message to the people involved in making decisions on matters affecting our members. These PAD's are the key contacts who must establish relationships in order for people to really hear what we are saying.

Presently we're working our way through all the State and Federal politicians, then we'll turn our attention to other industry bodies such as the Housing Industry Association, Australian Property Institute, Master Builders, the NSW Office of Fair Trading, the NSW Valuer-General's office and others. Once this network of PAD's is established, REINSW will be a voice that gets heard.◆

WE WILL BE GATHERING AN 'ARMY' OF 'POLITICAL ACTION DELEGATES' WILLING TO TAKE THE INSTITUTE'S MESSAGE TO THE PEOPLE INVOLVED IN MAKING DECISIONS



A crucial issue for the Political Advisory Committee will be lobbying government to encourage property investors to return to the market, to help alleviate the rental shortage.

No one knows more about the rental crisis than those at the coal face: the property managers.

Here's a selection of recent comments from members:

- "We have limited stock and rents are sky-rocketing for apartments and houses that previously stayed vacant for weeks."
- "Too many tenants and not enough properties."
- "I had up to 60 people attend one open house for a good quality townhouse. There is hardly any stock."
- "I've never seen the rental market this bad before. It's great for our landlords!"
- "Prices are way too high for rental properties."
- "The rental crisis has now become a real issue in our area."
- "Investors in rental property are being discouraged by land tax and higher interest rates. Investment properties are being sold off."

Rental crisis worsens

A recent news article bemoaned the difficulties for renters trying to find a place to live. The article was titled 'Spare a thought for the poor renters', and was written by a journalist who had queued up in the rain with hundreds of other potential tenants.

"It's not that I am restricted in geography and it's not that I'm enormously financially restricted ... it's just that there is so little out there. The rental market has gone crazy," wrote Clare Masters.

The commentary piece, posted on the website news.com.au, attracted nearly 100 responses from readers who were also at their wits' end,

facing rent hikes and struggling to find an available rental property.

REINSW has been warning for some time that a rental crisis was imminent and now it has well and truly hit.

Recent data from the Australian Bureau of Statistics showed that finance commitments for investment housing declined 9.5% nationally in February.

Fewer investment properties equates to fewer places for renters to live.

"The only way to address this situation is to have a level playing field for property investors," said REINSW President Steve Martin.

"We are calling on the State Government to abolish land tax and stamp duty on property. People who invest in shares aren't contributing to solutions to the housing crisis that is driving people away from NSW. Yet sharemarket players aren't slugged the taxes that property investors are."

NSW Housing Minister Matt Brown can't pretend that he's not aware of the problem, after a *Daily Telegraph* investigation discovered five people squashed into one of Mr Brown's 14 rental properties.

"Over-crowding and multi-tenant residences are a predictable result of the huge shortfall between the demand for accommodation and what is available," Steve said.

"What's worse is that we know that this situation is only going to deteriorate further if proposed changes to the *Residential Tenancies Act* come into law."

These changes would effectively make many circumstances tougher for landlords – for example, with the Government's proposal to extend the 60 days 'no grounds' notice for tenants to vacate to 90 days.

REINSW has called on all those politicians who are presently property investors to give the public an undertaking that they won't be exiting the market due to the changes to *Residential Tenancies Act*, as so many other landlords intend to do.◆



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Why Gen Y?



BY REBECCA JARJOURA

THEY ARE UP-TO-DATE WITH OUR CHANGING WORLD AND WILL HELP YOU CHANGE WITH IT.

GENERATION Y ARE THE NEW BREED OF EMPLOYEES. THEY WANT FAST CAREERS AND FAST MONEY, AND THEY WANT THEM NOW. THEY ARE THE FIRST GENERATION TO GROW UP ENTIRELY WITH COMPUTERS, FAMILY AND FRIENDS RATE HIGHER ON THEIR PRIORITY LIST THAN WORK, AND TRAVELLING THE WORLD IS MORE IMPORTANT THAN BUYING A HOUSE.

So why is Gen Y vital to the success of a business?

Understanding Gen Y

Work-life balance is paramount to the Gen Y employee and is a key factor in decisions such as changing employers. Gen Y employees seek flexibility and, most importantly, job satisfaction. Their need for variety creates a shorter attention span than previous generations. One way to use this to your advantage is to cross-train across a variety of departments. This not only creates value for your business but gives your Gen Y employees the satisfaction and knowledge they crave.

Gen Y will willingly work hard and stay back to get the work done, but when it comes to family and friends, work takes the back seat. Perceived flexibility in their working life allows them the feeling of independence that they need. Not accommodating this will likely see a high turnover of Gen Y staff. Generation Y works to live, they don't live to work!

Life and work

Making changes in your workplace to accommodate Gen Y employees is the first step to retaining them. Implementing activities such as casual Fridays, Friday drinks, monthly staff gatherings and intermittent social events not only brings all of your employees together, but also affords management the opportunity to keep in touch with what drives their Gen Y.

Flexibility, the integration of social and work life, and challenging, team-oriented work: all of these factors will decrease the phenomena of Gen Y 'job-hopping'. In addition, discussing their career goals and work/life commitments at the commencement of their employment will give you a clear understanding of what they want to achieve whilst working for you. This in turn allows you to design their working environment to increase retention.

Money

Gen Y are paying more expensive education costs than any other generation. Combine these factors with the higher cost of loans, rents, petrol and living, and it's no surprise that Gen Y live with their parents far longer than any previous generation – well into their late 20's. Yet most don't have a mortgage and do not have the additional cost of bringing up a family.

Wearing a Hugo Boss suit and driving a BMW with the latest Blackberry in hand is just the beginning. To get the image they want, they need the brands, and the brands must be quality. Gen Y want the best of both worlds – both job satisfaction and money – without having to sacrifice in either.

The challenge to employers, particularly of Gen Y's who are joining the workforce for the first time, is in keeping them grounded. One way to achieve this is to have open and realistic discussions during the recruitment process about likely remuneration over the first 1-3 years of employment. Tie salary discussions into key performance indicators. Gen Ys like goals and outcomes that they can influence (particularly when it comes to money).



GEN Y EMPLOYEES SEEK FLEXIBILITY AND, MOST IMPORTANTLY, JOB SATISFACTION.

Immediate feedback

Gen Ys need to know quickly if their work has made an immediate impact to the business and whether it is valued. Monthly meetings with your employee will give you both a chance to openly discuss issues and rewards. Team feedback sessions will also win favour with your Gen Y. This can be challenging, particularly for the new or more traditional manager, but in the end provides you with an invaluable insight into what works and what doesn't within your team. In return, giving Gen Y's a chance to be in the spotlight in front of their peers gives them the confidence to push themselves to more success and higher productivity.

Gen Y's love being mentored and mentoring in return. Having juniors or trainees report to your Gen Y employee will keep their minds active and creative.

2008 and the future

Facebook, My Space: they all have them and many Gen Y's use them daily. By keeping up with modern

technology you will attract more Gen Y's to your business. Use it to your advantage. For instance, maybe you could identify a relevant and useful business networking site for your industry and encourage your employees to join it. You might increase business generation leads for your company, whilst integrating more of the 'social' into the workplace.

Attracting Gen Y

Gen Y are discerning and high maintenance employees. They want it all and they want it now. The upside of all of this creativity and hyper-activity is that they are willing to work hard and are open to new ideas in order to grow the business and their careers along with it.

When it comes to attracting and retaining Generation Y employees, try regular feedback sessions, flexible work conditions that allow work-life balance, challenging and varied work, and a strong mentoring program. Most importantly, remain open to the ideas and energy that Gen Y bring to the workplace. They are up-to-date with our changing world and will help you change with it.

Rebecca Jarjoura is the specialist Residential Property Recruitment Consultant for Hays Property. To find out more, call (02) 9249 2233 or visit www.hays.com.au ♦

By Lia Gurciullo and
Roslyn Alderton

Gaining value

SKYROCKETING PROFESSIONAL INDEMNITY INSURANCE COSTS, THE CONSTANT RISK OF BEING SUED, COMPARATIVELY LOW WAGES, HIGH FUEL COSTS AND THE FRUSTRATION OF BEING AT THE MERCY OF THE MAJOR BANKS ARE ALL MAKING IT HARD TO ATTRACT YOUNG PEOPLE TO THE VALUATION PROFESSION.

PROPERTY VALUATION FIRMS AND REINSW ARE NOW WORKING TO ADDRESS THE CHALLENGES SO THAT VALUATION REMAINS A HIGHLY-RESPECTED AND SOUGHT-AFTER CAREER PATH.



Property valuation is facing an expertise exodus, with older valuers set to retire in the near future and few young people joining the profession.

“I have been actively engaged in private practice for over 40 years and have seen an erosion of professional recognition, fees, status and job satisfaction over that period,” said Colin Rooke, the Chair of REINSW’s Valuers Chapter and Licensee-in-charge at Dyson Austen in Edgecliff.

Valuers are often called upon to mediate in disputes and then find themselves, as a result, caught up in legal action. Not all such legal action is based upon the merits of the case – in some cases it is pursued on the basis that to do so would be commercially advantageous for the plaintiff.

As a consequence of being caught up in such legal causes, insurance premiums for professional indemnity policies for valuers have gone up, while some insurers won’t take on the risk at all.

While insurance and administration costs have risen, valuation fees have remained stagnant.

“It is no surprise that young graduates seek greater recompense and satisfaction outside the profession, as the private practice valuer can so readily be exposed to litigation and possible financial ruin,” Colin said.

A high percentage of valuers are due to retire in the next 10 to 20 years, which will leave a skills gap in the valuation industry unless more young people join the profession.



"IT IS NO SURPRISE THAT YOUNG GRADUATES SEEK GREATER RECOMPENSE AND SATISFACTION OUTSIDE THE PROFESSION."

Recruitment of graduate valuers is a challenge, as most students who have obtained degrees in property development and valuation are being lured to the 'big' developers, where salaries are higher, particularly in the first few years following graduation.

Rita Avdiev, Managing Director of the Avdiev Group, which specialises in executive recruitment and management consultancy, said the valuation industry needed to meet the expectations of Generation Y's – the under 25s who are currently graduating from the university courses.

"The young Gen Y students, they want everything: they want a good salary, a great job, they want to be trained, and they're very impatient," Ms Avdiev said.

She said the comparatively lower salaries offered to valuers have turned it into a "transitory" profession.

"Valuers want better salaries and better working conditions, and every young valuer wants to be a fund manager within a few years," she said.

Rising to the challenge

Some valuation firms are rising to the challenge and are implementing new recruitment programs to lure graduates back to the valuation industry, with higher salaries and the incorporation of guaranteed bonuses to act as a drawcard for young professionals.

Australia's largest valuation firm, Herron Todd White, employer of over 500 staff, is implementing a number of policies to assist with recruitment and retention, including a graduate program, leadership development

training for directors, and flexible work conditions such as part-time work for women returning from maternity leave.

Brendon Hulcombe, Herron Todd White CEO and AFR Young Executive of the Year, said it was also vitally important to have a good company culture.

"I don't think remuneration is automatically the most important factor for employees in determining whether they choose a role," he said. "People want to be proud of who they work with and factors such as culture and ethics play a huge role."

In a recent staff engagement survey, it was found that 98% of staff were proud to work for Herron Todd White, which was recently named 'Best Specialist Firm' at the BRW Client Choice Awards.

"It's been said before that the culture at Herron Todd White is like that of a large family company and I hope we don't lose that as we grow," Mr Hulcombe said. "Qualities such as ethics and professional standards are held in high regard and I'm sure this also contributes to staff pride."

He rejected any notion of making it easier to join the valuation industry by reducing the level of training required.

"We've seen situations in other professions where lowering barriers to entry and professional standards simply fuels a downwards spiral in terms of profitability and professionalism," he said.

Tom Edwards, senior director of mortgage valuation services at CB Richard Ellis said that companies needed to be prepared to offer

property students first-class opportunities, or they will go elsewhere.

"We're finding particularly younger valuers are coming over to us from the smaller firms that can't keep up on technology because of the expense," Mr Edwards said.

"We are providing industry-leading remuneration levels, and an industry-leading technology platform and working environment for students."

He said CBRE also provided graduate valuers with the opportunity to gain experience in all property facets.

"We ... have a trainee valuer program whereby we currently employ assistant valuers who are fully supervised by senior valuers, conduct research on each valuation request, and partake in a structured trainee program."

He stressed that CBRE had stringent policy guidelines that categorically do not allow trainee valuers with Graduate or Student Australian Property Institute (API) membership, or those who are not licensed under the various Land Valuers Licensing Boards, to conduct unsupervised inspections and valuations.

"WE'RE FINDING PARTICULARLY YOUNGER VALUERS ARE COMING OVER TO US FROM THE SMALLER FIRMS THAT CAN'T KEEP UP ON TECHNOLOGY BECAUSE OF THE EXPENSE."

Industry support

REINSW, in its capacity as the professional association for the real estate industry, has recognised the challenges facing valuers and is actively working to assist them.

"Professional bodies and associations, such as the Real Estate Institute of New South Wales, have a responsibility not only to their members but to the courts and the wider community to set appropriate guidelines for professional standards which recognise best practice and legal precedent," said Valuers Chapter Chairman Colin Rooke.

In one example of assisting its members, REINSW is currently

reviewing its Commercial Lease to provide some better legal protection for valuers who are called to mediate rent disputes between commercial shop owners and tenants.

Most importantly, REINSW recognises the need for valuation to be promoted as a worthwhile career path and is working with the Valuers Chapter to encourage young people into the profession.

Pressure from mortgage lenders

As the valuation industry grapples with the skills shortage, it is also facing pressure from its key source of business – the major banks and lenders – to meet their demands and win their business.

Before a bank or lender can approve funds to be advanced to a home buyer, a residential property valuation is required to be carried out by a qualified Certified Practising Valuer on the home in question.

Anecdotal evidence from valuers to REINSW suggests there has been some pressure on valuers to meet the demands of lenders so that the mortgage sales can go ahead, to assist the lenders in meeting their sales targets.

A newspaper article in the *Australian Financial Review* last year alleged that in some cases valuers in Victoria and Western Australia were allowing unqualified students to carry out valuations and that mortgage lenders were turning a blind eye to the problem in order to support the sale of mortgages.

In the United States, the practice of inaccurate valuations through coercion from lending institutions has been cited as a contributing factor to the current mortgage crisis that has forced some families into foreclosure.

The *Four Corners* program on ABC TV recently expressed concerns that the pressure upon valuers by the big lenders in Australia could create similar problems here.

Herron Todd White's Brendon Hulcombe said he did not believe the problem was as bad in Australia, but believes more could be done to eradicate the inappropriate practices.

The pressure to win business is particularly intense for smaller valuation firms.

"For better or worse, particularly for residential valuations, the larger

MORTGAGE LENDERS ARE LOOKING TO CUT THEIR OWN COSTS AND IN SOME CASES THIS MEANS SELECTING VALUERS ON THE BASIS OF THE LOWEST FEE, RATHER THAN THE QUALITY OF THE WORK.

mortgage security clients are trying to reduce the number of relationships with valuation firms as it costs money to manage these relationships," said CBRE's Tom Edwards.

"While this may be good news for the bigger firms such as Herron Todd White and CBRE, and to a lesser degree the next tier down of the next largest groups, for the small independent firms and those working for them it means that the environment may get even tougher."

Mortgage lenders are looking to cut their own costs and in some cases this means selecting valuers on the basis of the lowest fee, rather than the quality of the work, making it hard for smaller firms to compete. The risk of losing the business by refusing to comply with the lenders' expectations for the valuations creates further pressure.

In addition, new software programs that collate sales data are replacing the role of valuers in some cases, although Brendon Hulcombe says that these automated valuation models can also work alongside traditional valuation models.

Membership of REINSW can also assist valuers to be confident in maintaining their professionalism and integrity. REINSW provides practice support and advice, communication of the latest property industry news and a powerful voice for the industry to address issues of concern.

Promoting the positives

Colin Rooke said that despite the challenges, property valuation could still be a rewarding and satisfying career choice.

"You could decide on billions of dollars worth of values each year," he said. "If you like making decisions and have a good analytical brain, it can be an extremely satisfying profession." ♦



What's it worth?

Antoni Raban, 29, enjoys the analytical approach that is necessary for property valuation.

"I think other real estate jobs are a bit more demanding in terms of expectations," he said. "There's probably a bit more stress involved. You have that added pressure as a real estate agent of having to impress people."

"As a valuer, you go out, do your job, come back and analyse what you have seen. You don't have that added pressure of impressing people."

"You have to find out what's sold, what's been on the market and for how long, whether it was a quick sale, where it fits into the market in the area. You have to research the history of the building. You have to get to the bottom of it. You have to search around for the sales. It's a bit of an investigative process."

Antoni started as a valuer nearly four years ago after completing a Land Economics degree at University of Technology Sydney. He currently works at Dyson Austen.

"I feel (being a valuer) is a stepping stone for bigger and better things," he said. "At the beginning you start on small residential jobs. You work your way up to commercial and then even bigger commercial jobs."

He also enjoys going on site to visit the different types of properties. "You are not just stuck behind the desk the whole day. You are out and about."

Valuers don't often get a lot of thanks for their job – owners think the value is too low or the buyer thinks it is too high. But Antoni said the personal satisfaction came out of knowing that the value is accurate.

"The most satisfying part of the job is if you do value a property and it's close to the mark – If it's going up for auction and you are valuing that property before auction and then you check afterwards and find it's actually sold for around the same sort of price you have valued it for," he said.

"It's the satisfaction of knowing you are doing your job well."

Getting back to basics



BY DOUG MALOUF

The advertising industry survives on results. If advertising didn't increase sales, there wouldn't be an advertising industry. Likewise, real estate agents wouldn't continue to advertise if it didn't bring concrete results.

But still, I continue to be amazed at the style, type and strategy of advertising I see. It seems that the basic rules of real estate advertising are almost joyfully overlooked, in complete contempt of the market place. And yet the rules to follow are

ridiculously simple. If you think your advertising has 'lost its way', review these four guidelines:

1) Advertise regularly

The occasional television/radio commercial or newspaper ad is not enough. Sporadic advertising has only a very short term impact on the market.

2) Make it visual

Don't just tell them, show them. And make sure your company's name and phone number is clear.

If there are potential buyers or sellers out there trying to decide on an agent, they'll go for the one with an informative display that attracts them.

3) Choose your advertising carefully

Be different and don't follow the pack. Weigh up your available advertising options and make informed decisions based on the facts. Then measure the results of your efforts for future advertising.

4) Price the properties realistically

We can find ourselves constantly advertising a range of overpriced properties to satisfy unrealistic sellers. In fact, the sellers who complain the most about getting no service are usually the ones who end up with the most exposure. Don't let it happen! Overpriced properties do not draw buyers. Try to reach as many people as possible by advertising a variety of property types that are well-priced.

WEIGH UP YOUR AVAILABLE ADVERTISING OPTIONS AND MAKE INFORMED DECISIONS BASED ON THE FACTS.

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

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

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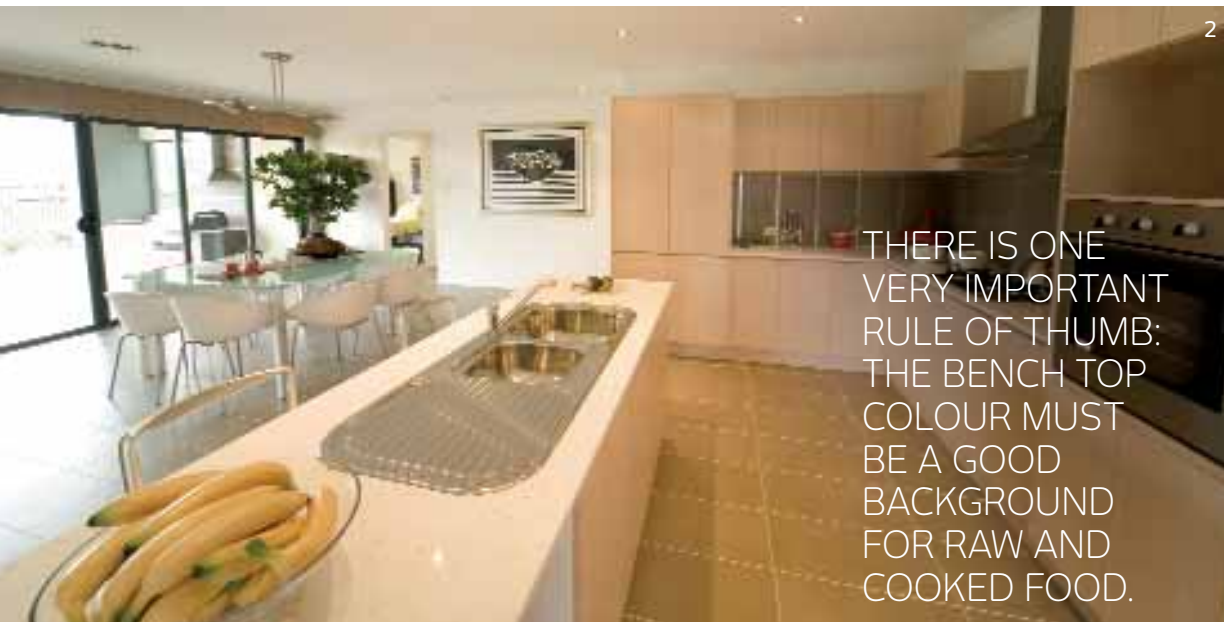
BY ANNE McCARTHY



1. THE CAMBRIDGE ON DISPLAY AT PARKLEA. THE RICH WARMTH OF THE TIMBER IS PERFECT WITH THE BLACK STONE TOP FOR A MORE DRAMATIC LOOK. STAINLESS STEEL AND COPPER MOSAIC TILES TAKE THIS KITCHEN TO THE NEXT LEVEL – NOT FOR THE BUDGET CONSCIOUS!

2. THE QUEENSCLIFF ON DISPLAY AT THORNTON. SEAMLESS AND TIMELESS, THE WHITE STONE TOP SITS BEAUTIFULLY WITH THE LAMINATED CUPBOARDS OF FORMICA REFINED OAK.

3. THE MALIBU ON DISPLAY AT HAMLIN TERRACE. THE SLEEK WHITE STONE TOP, OLIVE GREEN POLYURETHANE CABINETS AND CRISP NO FUSS TILES MAKE THIS KITCHEN PERFECT FOR A YOUNG MODERN LOOK.



Colour plays a very important part in the presentation of a property for sale. It can lead the viewer through a property creating a natural flow and feeling of completeness or it can confront and put up stop signs at every change and make a space feel limited and tight.

It is not just the colour of the walls that needs consideration: that ever-important part of the house – the kitchen – must be just right. If you are making changes to a kitchen to improve the look and saleability of a property, there are a few important things to remember.

The colour selection for your kitchen is not just about coordinating the colours back to the rest of the home interior. There is one very important rule of thumb: the bench top colour must be a good background for raw and cooked food. It must not be the same colour as raw meat, cooked shellfish or rotting flesh. These colours

include shades of red, pink, peach and yellow. If your bench top is in this range any food you put on it will look less appetising and appealing. Strange as it may seem this works; buyers will know at a subtle level that the kitchen is just right without consciously knowing why.

Look to the neutrals in nature for clues in selecting the right colour for your bench top. The colours need to be taken from the foundation of the 'landscape' i.e. trees, stone, rocks, earth and beach sand. These wonderfully solid forms are the basis for all our building needs and the perfect backdrop for all foods. This is why stone, reconstituted stone products and timber work so well. See how well food will look on tones of grey, beige, white, off white and shades of green and brown. Which colour you choose will depend on the rest of your interior and whether you want to achieve a more traditional or modern style for your kitchen.

There are so many exciting products available now to create the look you want. The timber-look laminates have improved enormously and can now be convincingly used with confidence to add warmth and style. If you do use one of these laminates, make sure the colour and figuring relates to the existing interior in some form, e.g. a light beech is not going to work well with a rich dynamic décor. You would need something dark and more heavily figured.

If budget is not a consideration, lucky you! For most of us we need to be very aware when committing to our building choices as they are costly and permanent decisions. With a kitchen you need to make sure you spend 'good money' as it is easy to get carried away and spend 'bad' money.

Good money is a stone or reconstituted stone bench top – it wears and performs well, looks great and is an excellent selling point.

Good money is a consultation with an experienced designer who will make sure you get the best out of your space.

Bad money is elaborate and expensive cabinet handles – you can achieve a great look without the European price tag as good copies are available and sometimes no handles is the better option.

Bad money is using bright dominating colours in permanent fixtures – they are expensive to change, so enjoy the accents in paint colours or decorative display pieces on your kitchen bench top or shelves.

Anne McCarthy, with thirteen years industry experience, is the Interior Design Manager for Clarendon Residential NSW. Her design ideas, including the above suggestions about colours in a kitchen, are used in Clarendon display homes, which can be viewed at www.clarendon.com.au. For more information, call the Clarendon head office on (02) 8851 5300. ♦

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A young man and woman are standing on a steel structure, likely a rooftop or a high-rise building under construction. They are both wearing blue and grey climbing jackets and dark pants. The woman is in the foreground, leaning forward and smiling. The man is standing behind her, also smiling. The background shows a cityscape and a body of water with many small boats. The sky is overcast.

Young
agents

stepU



P

WHETHER THEY WORK IN THE CITY OR THE COUNTRY, IN RESIDENTIAL OR COMMERCIAL PROPERTY, YOUNG AGENTS FACE SIMILAR CHALLENGES WHEN IT COMES TO PROVING THEIR KNOWLEDGE AND EXPERIENCE TO CLIENTS.

YET THEY ALSO HAVE THE ADVANTAGE OF BEING THE MOST ADAPTABLE, TECH-SAVVY AND ENTHUSIASTIC AGENTS IN THE INDUSTRY!

THE *JOURNAL* SPOKE TO EIGHT YOUNG AGENTS WHO HAVE STEPPED UP TO THE CHALLENGE AND ARE CLIMBING TO GREATER HEIGHTS IN THEIR CAREERS.

One of the most common challenges faced by young agents is overcoming the perception that they are too inexperienced to handle the sale or manage the property.

Chloe Dundon first started working at Morton and Morton, on Sydney's North Shore, just a month before her 16th birthday. She's now 19 and has already completed her Certificates III and IV in Property and is on track to completing her real estate licence. Despite her hard work and training, her youth remains a challenge.

"Sometimes I have felt that people may not take me seriously because I am so young," Chloe said. "I try to address this by always presenting myself professionally in terms of how I dress and how I speak to people."

For many agents, real estate is a second career, but Chloe believes starting out young is an advantage.

"I have been able to gain experience in both property management and sales support, so that I have a wide base of skills and knowledge," she said. "Who knows where I'll be by the time I am 25!"

"I also think real estate is a career that suits people with masses of energy and enthusiasm and as a young person I have plenty of both."

Heidi Sieders, senior property manager at Wilkinsons in Richmond, also started her career early, beginning



"YOUNGER AGENTS, I BELIEVE, HAVE THE BENEFIT OF BEING MORE ADAPTABLE. THEY ARE ABLE TO RELATE TO THE FAST AND EVER-CHANGING NATURE OF OUR INDUSTRY, ESPECIALLY WITH REGARDS TO COMPUTER TECHNOLOGY."

Heidi Sieders, 23
Senior Property Manager
Wilkinsons Real Estate,
Richmond

with work placement at high school. She obtained her Certificate of Registration in year 12 as part of her Higher School Certificate.

Now at just 23 years of age, she already has six years of experience behind her.

"When I first started working as a property officer I was only 18," Heidi said. "I found that the number one challenge was that when we were trying to obtain new managements, the new owners wanted to speak with agents who had more experience."

What Heidi discovered, however, was that her inexperience gave her an unexpected advantage. She had the benefit of only ever working and training under the raft of laws introduced under the *Property, Stock and Business Agents Act* in 2002. She found that some agents who had many years of experience before those laws were not always as well-versed in the latest legislation as she was.

Commercial property and strata management are also governed by extensive laws. Knowledge of the legislation can give young agents

an edge, even if their practical experience is less than their older colleagues.

"I think the main challenge is overcoming the perception that because you are 'young', you don't know what you are talking about," said Tim Jones, a commercial property agent with Martin, Morris and Jones in Wollongong.

"In commercial you are generally dealing with a large number of 'industry-educated' people with high levels of experience and knowledge and it's often harder to convince these people to take your advice."

Tim, 28, has been working in the family business for six years after returning from Sydney where he had initially trained in journalism and worked in the TV industry.

He enjoys the challenges presented by commercial property, even though he finds it difficult to receive enough specific training on commercial issues.



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Tim Jones, 28
Sales Consultant, Commercial
& Industrial Sales
Martin, Morris and Jones,
Wollongong



"ALL YOUNG AGENTS HAVE THE PROBLEM OF CREDIBILITY WITH SOME OLDER PEOPLE. THE ONLY WAY YOU CAN OVERCOME THIS ... IS TO BE MORE KNOWLEDGABLE THAN OTHER PEOPLE."

Melissa Randall, 21
Strata manager
Adamson's -
The Professionals, Cronulla

"A large number of commercial property deals are more complex and can take a lot more negotiation than your everyday residential deals," Tim said.

"I think we need more commercial-specific training courses to be made available ... For a young commercial agent wanting to take it to the next level, it can be difficult because in terms of bettering our knowledge, I think we are lagging behind the residential guys."

Melissa Randall, a 21-year-old strata manager at Adamsons The Professionals, also puts a lot of time and effort into bettering her understanding of the legislation, such as the *Strata Schemes Management Act*.

"All young agents have the problem of credibility with some older people," she said. "The only way you can overcome this, apart from growing older, is to be more knowledgeable than other people and convey this knowledge in a manner to serve your clients truly and well."

She started in strata management three years ago after finishing high school.



"GETTING A HEAD START IN REAL ESTATE HAS TO BE AN ADVANTAGE. I STARTED AT 16 - WHO KNOWS WHERE I'LL BE BY THE TIME I AM 25!"

Chloe Dundon, 19
Sales administrator
Morton and Morton



"ONGOING SUPPORT AND MENTORING FROM SENIOR VALUERS HAS BEEN AN IMPORTANT PART OF MY DEVELOPMENT AS A PROPERTY PROFESSIONAL."

Paul Satara, 24
Assistant valuer
CB Richard Ellis

"When I left school I looked at many options. The real estate industry appeared to be varied and interesting and offered numerous opportunities for development and advancement."

Paul Satara, 24, from CB Richard Ellis, chose to become a valuer for similar reasons.

"I saw the valuation sector as being a good place to gain a well-rounded knowledge of the property industry," he said. "Whilst I was at uni I had always enjoyed the analytical side of property and always leaned more towards valuation and investment analysis."

He has received ongoing support and mentoring from senior valuers at CBRE as he gains more experience over time.

"Valuation requires a thorough knowledge and understanding of all facets of the property sector – an understanding which can only be acquired through years of experience," Paul said.

"I would say that there is a greater divide between 'junior' and 'senior' than in other sectors of the property industry. To a certain extent, career progression within valuation is more a function of experience rather than individual performance."

Tom Johnston, 22, is currently a sales agent but is looking at becoming a valuer at some point in the future.

"I joined the Ray White Dubbo team in October 2006 as a property manager and progressed up to a sales agent," he said.

"At first I was just thinking of it as a stepping stone until I became a qualified valuer. I have found it challenging and I really enjoy what I am doing at the moment.

"Being a young agent has its bonuses – that willingness to work and the thrill of the chase is still there."

He regards his youth as an additional motivation for doing well in his career.

"Yes, there are those people that will view you as young and inexperienced but it gives you that little push to prove them wrong," he said.

Last year Tom pushed himself even further by entering the REINSW Novice Auctioneers Competition, both in his local division and at the state final in Sydney.

"The support and encouragement which I gained from the Novice Auctioneers Competition last year has put me leagues ahead from where I was at this time the year before," he said. "I believe that we need more activities like this that would boost confidence and also improve young agents' learning."



"YES, THERE ARE THOSE PEOPLE THAT WILL VIEW YOU AS YOUNG AND INEXPERIENCED BUT IT GIVES YOU THAT LITTLE PUSH TO PROVE THEM WRONG."

Tom Johnston, 22
Sales agent
Ray White Dubbo



"I DON'T FEEL AGE IS A BARRIER AS LONG AS THE PERSON YOU ARE DEALING WITH HAS GOOD KNOWLEDGE OF THE INDUSTRY, A GOOD RECORD WITH CLIENTS AND IS KEEN AND ENTHUSIASTIC TO HELP."

Jane Cook, 36
Property manager
John Cook Real Estate, Orange

He suggested that one advantage for a young agent working in the country is that it can take less time to develop a good reputation due to the closeness of smaller communities.

Jane Cook, a property manager at John Cook Real Estate in Orange, believes that country agents can also forge relationships with clients more easily.

Where to find help

Practical advice

REINSW members can call the Agency Services Helpline on (02) 9264 2343 or email helpline@reinsw.com.au to receive practical advice on day to day problems.

Training

Course in Property Practice – the entry-level course to gain a Certificate of Registration. REINSW runs this course weekly at the Training Centre in the Sydney CBD, from Monday to Friday, or on Saturdays. The Course is also available online through eLearning.

Skills workshops – REINSW runs a number of skills workshops that will

assist young sales agents, property managers and auctioneers. Topics include time management, creative marketing strategies, resilience, appearing before the CTTT and many more. Check out the full list at www.reinsw.com.au/training. Training is available in the classroom, online or even in your office, with discounted fees for REINSW members.

Traineeships – young agents can get paid while they learn by taking on a traineeship through REINSW. Training is paid by the NSW Government and can be completed either in the classroom or online. To find out more about traineeships, see p39.

Certificate III and Certificate IV in Property (Real Estate), and Licensing Course – take your career to the next level with these highly-respected qualifications. Courses are available in the classroom or online, with discounted fees for REINSW members.

For more information about training, call REINSW Education & Training on (02) 9211 8707, email training@reinsw.com.au or visit www.reinsw.com.au/training.

Networking

Young agents from around NSW will be able to meet with each other, share their experiences and learn from the experts with the launch of the REINSW Young Agents Chapter in the coming months.

The Chapter will be open to all agents under the age of 35 or with less than three years' experience. The Chapter will also have its own Facebook page. Stay tuned for more information!

Industry updates

Stay up to date with all the latest news for the real estate industry by reading the *Real Estate Journal* every month and the monthly eNews electronic newsletter. These publications are only available to REINSW members. If you would like to be on the mailing list, you will need to join as an individual member at a cost of just \$96 a year for agents in REINSW member firms – that's only \$8 a month!



"YOUNG AGENTS HAVE THE ADVANTAGE OF NEW IDEAS AND A DIFFERENT APPROACH."

Josh Simshauser, 35
Landmark Narrabri

"The greatest challenge I face because I am younger is developing the relationship of trust with clients," said Jane, 36, who began working in the agency eight years ago as a receptionist.

"I have never worked in the city, however I do feel being in a regional area we would get to know our clients a little better as we see them more frequently, which helps us build a better relationship," said Jane.

Josh Simshauser, a 35-year-old agent with Landmark in Narrabri, has been in the industry for two years. He thinks the gap between city and country is closing, thanks to the increasing popularity of property websites and online research tools.

"Whilst in some ways younger people struggle because they are new to the industry, I think they have a big advantage elsewhere in that a lot of the technology used in real estate today they probably pick up better than the more experienced people," Josh said.

Young agents may have loads of enthusiasm, time to learn the legislation and confidence with using technology, but Melissa Randall pointed out that what really counts is how well an agent – no matter what their age – can serve their client.

"The principle of the real estate industry is unchangeable," she said. "It comes down to the fact that when I sit in front of my client I have to be truthful and honest."◆

YOUNG AGENTS MAY HAVE LOADS OF ENTHUSIASM, TIME TO LEARN THE LEGISLATION AND CONFIDENCE WITH USING TECHNOLOGY, BUT WHAT REALLY COUNTS IS HOW WELL AN AGENT – NO MATTER WHAT THEIR AGE – CAN SERVE THEIR CLIENT.

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A winning attitude

By Dael Climo

April was a good month for Jacqueline Dwyer. She got the keys to her new home and took out the prestigious Achievement category in the 2008 REIA National Awards for Excellence.

An agent at McGrath Estate Agents in Sydney, Jacqueline, 29, is the epitome of the career-focused, ambitious young real estate agent making such an impact in the industry these days.

"I love working in real estate because it has such an entrepreneurial aspect," she said. "I can run my own show and there's uncapped earning potential. It also gives me the chance to build long term relationships with people."

Her career in real estate began at McGrath Estate Agents in 2004 when she started as an assistant before being promoted to agent in 2006. This was an agency she targeted, seeing it as a place her career could flourish.

Before taking a position at McGrath, Jacqueline worked as an account manager for Dell Computers and spent four years in London with Chase Manhattan Bank.

"I applied to go to McGrath Estate Agents because I liked the alignment between the way they operate and my own beliefs and personality," she noted.

"The company has a very innovative attitude to marketing and an excellent website. They take a project management approach to real estate as opposed to just selling houses.

"When someone from McGrath sells a property they work on its styling and all other aspects – it's very much the whole package."

Jacqueline's success selling property at Cammeray on the lower North Shore means she has been able to specialise in this one particular suburb and pretty much works within a two kilometre radius.

"I look younger than I am and some people might see that as inexperience, but people like it when you prove you are capable," she said. "I get a lot of my listings based on my previous results."

While she admits she likes the financial rewards that can come with selling real estate, Jacqueline's true passion is in the deal – making it and closing it.

"I like to help people move," she said. "Clients might think it is all about the fee structure but it is more about the thrill of getting the seller a good price and making sure the buyer feels they have been fairly treated."

"I have to be able to offer commitment, be **super-organised** and be able to negotiate really well to hold a deal together.

But in the end, I think it's your personality that gets you over the line."

Many of her clients are young professionals that have just had their first child and are moving up the property ladder to a home with space for a family.

"They might be moving up to a 500m² house from an apartment so it can be an exciting time for them," she said.

Properties this size, and in this area, carry multi-million dollar price tags. In the past few months Jacqueline has sold three properties in Cammeray's most prestigious street all above her vendors' expectations.

This kind of success is the result of long days – up to 14 hours on occasion and six-day weeks. Time is set aside for regular training with her team where they practice scripts and dialogues as part of role playing.

"My job is all-consuming," she said. "I have to be able to offer commitment, be super-organised and be able to



JACQUELINE WITH HER REIA AWARD AT THE GALA DINNER IN MELBOURNE.

negotiate really well to hold a deal together. But in the end, I think it's your personality that gets you over the line."

The personality aspect is something that comes up again and again when clients write to Jacqueline to say how much they enjoyed working with her. "People tell me that I am real – that I tell it like it is," she said.

These days, all the hard yards put in at the beginning when she was learning the job are starting to pay off in a number of ways. There was the REIA award, which was "completely flattering and exciting". The recent purchase of an apartment was another tangible result of the long hours and another indicator that commitment and talent equals rewards.

As for plans for the future, Jacqueline wants to remain at McGrath but to add to her skills by training to be an auctioneer and to grow the size of her current team.

For this superb negotiator, there is one thing that is not up for discussion. Sundays are sacrosanct. Jacqueline's home becomes "rancho relaxo", a place to catch up with friends and family and to make amends for all the times she has had to cancel during the working week. ♦



“Just keep on going”

By Roslyn Alderton

MATT BRADY NEVER LET HIS YOUTH GET IN THE WAY OF HIS DREAMS. HE BOUGHT A REAL ESTATE AGENCY AT JUST 24 YEARS OF AGE AND NOW AT 32 HE IS ALREADY ONE OF THE MOST EXPERIENCED AND SUCCESSFUL PRDNATIONWIDE AGENTS.

Matt started at PRDnationwide Seaforth when he was just 18 and fresh out of high school. By the time he was 24, he had already notched up six years' experience in sales and was keen to take his career to the next level. When the opportunity came to buy the business, it was too good to miss, although (in his words) he had to beg, borrow and – well, not steal – but scrape together all the funds he could to buy the agency.

“I had bought a unit when I was 19. I had to sell that to fund my way in,” Matt said. He also created a business plan that helped to convince a major bank to lend him some money and he even borrowed some money off the vendor of the business.

Even when he owned the business, Matt still had trouble convincing some home owners that he was experienced enough to handle their sale.

“The biggest thing against me was that I looked so young,” Matt said. “It wasn't that I didn't know my stuff. I had an office manager who was older than me – a lot of people thought that he owned the business.”

Matt recalled one instance when he missed out on a listing because the vendor thought he was too young. Four months later, when the property

“I don't tend to dwell on things too long. If you lose a listing, the sun is still going to rise tomorrow.”

had failed to sell through another agent, the vendor came back to give him another try, simply because he was “so young and energetic”.

“It wasn't until I exchanged and sold the property in one week that they really believed in me,” Matt said.

His advice for other young agents is to draw on all the strengths they can.

“If you don't have any experience, there's not a lot you can do about that,” he said. “But you can increase your product knowledge. Show that you are enthusiastic and committed to [the vendor].”

Matt said the type of agency they worked for could also be used as a positive, whether it be a big agency or a small boutique office. “It's about drawing on the strengths of your agency,” he said.

In Matt's case, he received a lot of practical support from the PRDnationwide franchise.

“At any time I could pick up the phone and ring up people within the group,” he said. “That's one major difference between other franchises and PRD – we are a big family. There's a strong sense of values. I go to the PRD conferences and there are people there that I have known since I was 18.”

Like all young agents, Matt suffered setbacks, but he didn't let these get him down.

“I don't think I have ever come home from work and gone ‘I just can't do it any more’. I really don't take my work home. I don't tend to dwell on things too long. If you lose a listing, the sun is still going to rise tomorrow. If you talk to 100 people and 99 say ‘no’ to you, someone is going to say ‘yes’. You just have to keep on going.”

Matt also tries to maintain a healthy work/life balance and sets aside time to spend with his wife and his three-year-old son.

“I think real estate offers you a pretty flexible life. People that say that it doesn't, don't, I think, work efficiently enough. You just have to have a daily plan of what you have to do. Sometimes I don't get home until 9 o'clock at night but at other times I'll leave at 4 o'clock.”

For a new agent starting out, work/life balance can be harder as they work extra hours to try to establish themselves, making Matt glad he went through those tough

years when he was younger without the commitments of mortgages and family.

“Someone might be on \$60,000 a year at my age and when they come in for the award of around \$35,000, it's then about believing in yourself and realising that you are going to be on that pay for a period of time until you establish yourself,” Matt said. “I think it's harder for somebody my age coming into the industry.”

Matt's hard work has certainly paid off – he has received several PRDnationwide awards including Platinum Sales Awards in 2006 and 2007. He was the youngest PRDnationwide agent to join ‘The Team of the Century’ (the top 1% of the PRD group) and last year he joined the group's top achievers on the Kokoda Trail in Papua New Guinea.

Starting young was certainly one of the keys to Matt's success, giving him years of experience ahead of most agents his age.

“The experience that I have gained over the last 14 years translates into knowledge and service levels beyond that of most others in the industry,” he said.

Hear from Matt when he speaks at the Residential Sales Forum in Drummoyne on 28 May.

Visit www.reinsw.com.au and click on ‘Events’ for more information or to book. ♦

Congratulations Simon and Jacqueline



SIMON KERSTEN
WITH HIS REIA
TROPHY.

Agents from New South Wales beat contenders from around Australia to take out two of the top awards in the 2008 Real Estate Institute of Australia's National Awards for Excellence.

Simon Kersten, Managing Director of Colliers PRD in Wollongong, won the prestigious Residential Salesperson Award. Simon has worked in most parts of the property sector during 15 years in the industry. He has previously won awards for commercial and residential sales and has been responsible for several high profile sales.

Jacqueline Dwyer, from McGrath Estate Agents, won the Achievement Award, open to agents with less than two year's industry experience. Jacqueline specialises in property on Sydney's lower North Shore and believes that providing clients with six-star service is the key to delivering outstanding outcomes.

"I know how hard agents work on behalf of their clients," said REINSW President Steve Martin. "Our industry is an extremely competitive one and to reach the top means working long hours, complete dedication and a commitment to being the best.

"We at the REINSW are proud that such top performers are members of the Institute." ♦

REIA Award winners

REIA President's Award

Kevin Sheehan,
Real Estate Institute of Victoria

Large Residential Agency

Sponsored by *Direct Connect*
Independent Property Group, ACT

Small Residential Agency

Sponsored by *realestateview.com.au*
Sissons Estate Agents, Qld

Commercial Agency

Sponsored by *realestatefind.com.au*
Colliers International, Qld

Residential Salesperson

Sponsored by *domain.com.au*
Simon Kersten,
Colliers International, NSW

Commercial Salesperson

Sponsored by *realestatefind.com.au*
Evan Florinis,
Commercial SA Property Group, SA

Residential Property Manager

Sponsored by *Aon*
Alexandra Scott,
Top Notch Property Management, ACT

Commercial Property Manager

Sponsored by *realestatefind.com.au*
Johann de Beer,
Colliers International, Qld

Achievement

Sponsored by *The Mentors*
Jacqueline Dwyer,
McGrath Estate Agents, NSW

Business Broker

Sponsored by *realestatefind.com.au*
John Trafford, Dale Wood Business
Sales Consultancy, SA

Buyer's Agent

Sponsored by *Your Investment Property*
Frank Valentic,
Advantage Property Consulting, Vic

Innovation

Sponsored by *PRDnationwide*
Toop and Toop, SA

Communications

Sponsored by *Direct Connect*
Independent Property Group, ACT

Community Service

Sponsored by *Deposit Power*
Nelson Alexander, Vic

Essentials of real estate



Do your homework, visit lots of open for inspections and bring a compass – that's the advice that Tim McKibbin, CEO of REINSW, gave to a recent seminar at Property Expo 2008 at Sydney's Darling Harbour.

The seminar, which took place on each of the three days of the Property Expo, was attended by property buyers seeking tips on the process of purchasing a home.

Tim explained the often confusing difference between a suburb's median price and its average price, and provided some tips on how to tell whether property data is reliable. The simplest test is to find a house that has recently sold and drive past it – even two houses on the same street might have enough differences that you can't make an accurate comparison between them.

He also encouraged buyers to do their homework by attending lots



of open for inspections. Despite all the tools on the internet nowadays, nothing beats what you can learn firsthand by actually going to the properties and talking to experienced real estate agents.

Tim McKibbin's presentation to the Property Expo seminar is available for download. Visit www.reinsw.com.au, click on the Knowledge Centre, and go to the Industry News item: Essentials of real estate explained at Property Expo. ♦

Dates for your diary

16 July
Rural CPD Day, Tamworth

30 July
Rural CPD Day, Orange

10 September
Commercial Property Forum

18 October
REINSW Annual Dinner

CHAPTER FORUMS

22 May
Property Management Forum,
Central Coast

28 May
Residential Sales Forum,
Drummoyne, Sydney

1 June
Residential Sales Forum, Orange

17 June
Auctioneers Forum, Double Bay

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

AUCTIONEERS: Novice auctioneers

The REINSW Novice Auctioneers Competition is the ideal way to test out your skills at auctioneering – without the pressure of having to handle a real property sale.

Ben Chaston, last year's winner, is keen to assist other budding auctioneers find their hidden talent by entering the competition, where items are auctioned for charity.

"Let your voice be heard," said Ben, who auctions for McGrath Estate Agents. "The REINSW Auctioneers Chapter Committee is looking for expressions of interest from agents who think they might want to enter the competition."

If you want to find out more, email Ben Chaston via REINSW's Tracey Lucas at tlucas@reinsw.com.au.

Direct line to the Board

REINSW Chapters can be confident that their concerns and suggestions will be addressed by the Board.

A specific Board member has now been assigned to each Chapter, to attend meetings and act as a direct conduit to the top decision makers in the Institute:

Auctioneers: Kate Lumby
Buyers Agents: John Cunningham
Commercial: Malcolm Gunning
Holiday and Short Term Rentals: Brett Hunter
Property Management: Miles Felstead
Residential Sales: Christine Clarke
Rural: Kim Hamilton
Strata Management: Charlie Mellino
Valuers: Malcolm Gunning
Young Agents: Brett Hunter

RESIDENTIAL SALES: Attention young agents

Young residential sales agents, here's a forum just for you! The next residential sales forum, on 28 May, will specifically address the issues and challenges faced by those new to the industry.

The forum has been organised by the Residential Sales Chapter Committee to help encourage young sales agents, who can often feel discouraged.

"The forum is about giving young sales agents practical advice to help them achieve their goals," said Chapter Chairperson Kathryn Hall.

Date: Wednesday, 28 May 2008
Time: 3.00pm - 5.00pm
Venue: Drummoyne Sailing Club
Cost: REINSW members: \$25.00
Non members: \$40.00
RSVP: By Thursday, 22 May 2008.

To book for the Residential Sales forum, call (02) 9264 2343 or book online by visiting www.reinsw.com.au and clicking on 'Events'.

SPEAKERS

Negotiate to communicate
Peter Kakos,
Real Estate Results Network
Learn the art of mastering negotiation and achieve better outcomes - it's all about communicating effectively and accurately with clients.

Office politics
Kathryn Hall,
Kathryn Hall Real Estate
Hear how to overcome the issues and make it work for everyone.

Bridging the age gap
Matt Brady,
PRDnationwide Seaforth
A youngster to the business, Matt shares his tactics on how to connect with the mature vendor.

Plus Dave Skow, Elders Real Estate, will talk about the soon-to-be-launched Young Agents Chapter.

BUSINESS AGENTS: Call to all business brokers!

Kel Gibson from Bizsales is calling for business brokers to create a fresh and an active voice in REINSW.

"Input from experienced brokers is required to assist in planning and assessing where our specialist profession is heading," said Kel, who is on the REINSW Business Agents Chapter Committee.

He said the committee was planning a broad-based survey of the profession to investigate the numbers actively selling businesses, the types of business sold, the day-to-day operational issues facing business brokers and the changing nature of the industry.

If you would like to get involved with the REINSW Business Agents Chapter, contact Tracey Lucas on (02) 9264 2343 or email tlucas@reinsw.com.au with a brief profile of yourself and the reasons why you would like to take part.

Upcoming forums

Thursday, 22 May – Property Management Forum
3pm - 5pm, Linton Gardens
611 Wisemans Ferry Rd, Somersby
Speakers: Lyn Tamsett and Sandra Hodgkins

Wednesday, 28 May – Residential Sales Forum for young agents
3pm - 5pm, Drummoyne Sailing Club
2 St Georges Crescent, Drummoyne
Speakers: Peter Kakos, Kathryn Hall and Matt Brady

Sunday, 1 June – Residential Sales Forum
2pm - 5pm, Residential Sales Orange
Orange Ex-Services Club
241 Anason Street, Orange
Speakers: Kathryn Hall, Richard Jobson, Andrew Blake and Ardi Melikian.

To book for any of the above forums, please call (02) 9264 2343 or visit www.reinsw.com.au and click on 'Events'.

Amy's good with money ...



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AGENT WHO
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CASHFLOW!

As a business owner, Amy knows that a consistent cashflow is what she needs to comfortably plan for the future growth of her business. "It makes a big difference knowing when the money will be there!". PaidOnExchange offers cashflow solutions for Australian Real Estate Agents. Don't wait weeks, sometimes months, for your commission to be paid. Grow your business now through predictable cashflow solutions.

WHY AGENTS CHOOSE PaidOnExchange.com.au

-  We won't be beaten on price! Call and compare
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Young sales agents



BY CHRISTINE NORRIS

THE MOST IMPORTANT THING FOR A YOUNG SALES AGENT IS TO BELIEVE.



THE GREATEST CHALLENGE FOR YOUNG SALES AGENTS IS TO OVERCOME THE PERCEPTION BY VENDORS THAT THEY ARE TOO INEXPERIENCED TO HANDLE THE SALE. YET IT'S STILL POSSIBLE TO BE SUCCESSFUL! HERE'S SOME ADVICE ON SURVIVING THE FIRST FEW YEARS IN REAL ESTATE.

You are now in the business of making people like you, becoming their problem solver and being easy to deal with. You're also in the business of making people remember you. To do this, you need to draw a line under the past and change your identity to match these new requirements. Believe that you are a professional consultant, not just a sales person.

Develop, with your Principal, a process of breaking down all the steps necessary to achieve success. Focus on the Key Performance Indicators (KPI's) of listing and selling. This enables you to enjoy a series of small successes along the way and makes all the highest goals achievable and manageable.

Believe in your dreams

Set long-term goals. The pathway to success lies in believing in your dreams, and acknowledging that everything is difficult before it becomes easy. Dreams and goal-setting are the only avenues to achieving greatness.

You must make a committed decision to clarify what it is you want and set clear goals. In order to reach these, the goals also need to be consistent and accountable. Review your targets and goals weekly.

A set of specific goals will help to focus your time and energy on the right things. Start each day with your 10 most important tasks and focus only on tasks associated with your job, which is to list and sell property.

Winning listings

Most young sales agents are keen to get out there and sell. Here's a word of advice: forget selling for the first 12 months and concentrate on securing listings. Your success will be determined by the amount of quality listings you have. There's no point setting yourself unrealistic goals for achieving sales unless you can start fulfilling your goals for listings.

Of course, this is the hardest part for a young sales agent! Vendors often say: "You're too young, how can I trust you to handle the sale of my biggest asset?" What should you answer?

First and foremost, it's always essential that the client knows the Principal will be working alongside you at all times and has placed their trust in you because you have been trained personally by the team to deliver the service required by the agency. The Principal expects and is confident that you will meet the agency's guarantee for service.

Communicate effectively, be clear and concise.

Be honest at your presentations and tell it like it is, because there is something inside each of us that responds deeply to people who level with us and this may be the one reason alone which will enable you to beat the competition.

Be an expert on the facts, know your market and work your patch diligently.

Offer outstanding service and the highest standard of integrity. Under promise and over deliver.

Look for opportunities that enhance value to the customer by capitalising on new marketing opportunities.

One of the most overlooked factors in a successful transaction is the quality of the relationship between the consultant and the property owner. Your customer is not interested in your product or services until he or she knows you're interested in their problem. It's not about how wonderful your agency is, it's about making the vendor feel valued and important.

I can remember once when I was a young agent, a lady walked into my office and she didn't look all that impressive. She had very dirty clothes, a cigarette in her mouth and no teeth. This lady stated that she had been to numerous agents, she had a property to sell and no one wanted to inspect her property or even believed that she owned a property.

I remember telling her I certainly did believe her and drove to her property for an inspection. Imagine my surprise when the property turned out to be a substantial holding in the district. It was my very first auction of a rural property and was close to \$1 million, which back then was amazing. That client then purchased two homes through me. I had made her feel valued and as a result I won her repeat business.

Dealing with set backs

Accept that you're not going to close a sale every time. The greatest set backs always create the greatest learning experiences and opportunities. Making mistakes is acceptable as long as you take responsibility and learn from them.

Don't take anything personally – what other people say or do is a projection of their own reality. Finish each day and be done with it, knowing you have done what you could.

Plan the next day in advance and set the days' activities with positive affirmations.

Keeping the competitive edge

How do you persevere, day after day, especially when times are tough?

It helps to establish a routine. Set a schedule for each day, week and month. Create a plan and then work your plan by prioritising tasks according to their highest dollar value. Track your daily activities so when you look back you can see whether your routine has been producing the right results.

Often young sales agents get caught up in time-wasting tasks because they are not quite sure what works and what doesn't. If you're not sure, find out what others have done to succeed and be prepared to do it 10 times more! Talk to people and, attend skills workshops. Find out the rules of prospecting. Being young is not an excuse for wasting your time on ineffective activities until you can figure out what works – learn from the experience of others. Role play and 'shadow' with the top performers in your office.

Finally, have a strong personal foundation. Enjoy the journey and celebrate your successes.

Be the very best you can be, every day, and eventually you will reap the rewards for your effort.

Christine Norris is Proprietor of PRDnationwide Orange. She has 25 years' experience as a real estate consultant and is member of the REINSW Residential Sales Chapter Committee.

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

PROPERTY MANAGEMENT:

Young property managers



BY GARY TRIGANZA

HELP YOUR YOUNG STAFF BY SENDING THEM TO A HALF-DAY SKILLS WORKSHOP OR PAYING FOR AN ONLINE COURSE.

THE REAL ESTATE INDUSTRY OFFERS YOUNG AND MOTIVATED PROPERTY MANAGERS AN OPPORTUNITY TO STRIVE AND EXCEL – PROVIDED THEY RECEIVE THE RIGHT SUPPORT AND TRAINING FROM THEIR BOSSES. HERE ARE SOME TIPS ON HOW PRINCIPALS CAN ASSIST YOUNG PEOPLE THROUGH THE CHALLENGES OF THEIR FIRST FEW YEARS IN THEIR PROPERTY MANAGEMENT CAREER.

How to find young property managers

When it comes to finding young property managers, there are many avenues that can and should be sourced.

You can approach learning institutions like REINSW, universities and TAFEs, which enrol eager students looking for a career as a property manager and who are in the process of completing their tertiary studies.

Recruitment agencies are becoming increasingly popular, whereby an agency will use their contacts within the industry to promote and fill vacant positions. Recruitment agencies take the stress away from 'cold calling', whereby the agency will apply on your behalf for positions that are both on offer and that you (as the person seeking employment) have shown interest and approved the initial contact.

If you're lucky, a young enthusiastic person will walk into your office and submit their CV to the Principal in anticipation of a call-back and an opportunity to interview for a position.

Work experience for school students is always an effective way of attracting young staff into our industry. This gives the student a



YOUNG PROPERTY MANAGERS SHOULD BE NURTURED AS PART OF A TEAM.

practical idea of how an office runs and provides excellent assistance to full-timers having short term assistance. If you get the opportunity to take on students for work experience, don't pass it by!

How to train young property managers

The beauty of hiring a young property manager is that they often have limited (if any) experience as a real estate agent. They are in essence an open canvas ready to absorb information without any potential conflict of handling difficult tasks and situations in an inferior way.

Maybe the initial purpose of hiring that person was in the capacity as a receptionist or letting clerk. This

gave the young person a taste of dealing with the public as well as understanding their local market and demographics. Opportunities later opened up for property management and that person was worthy of consideration for a promotion. They can then move into the property management team, where they work with the others as they acclimatise to the office computer systems as well as the office policy procedures.

Before they move from administration tasks to property management-related tasks, ensure that they have completed the necessary studies and have received a Certificate of Registration. REINSW runs the Course in Property Practice from Monday to Fridays, and

on Saturdays, and training can be done either online or in the classroom.

In the interest of assisting young property managers and to maximise their career longevity, they should commence with simple tasks and be taught under direct supervision. Such tasks include lease signings, completing ingoing/outgoing inspections, periodical inspections, approving applications for tenancy, taking reservation fees, and preparing Residential Tenancy Agreements for signing. These duties should be repeated with direct supervision of the senior property manager until no errors are made and the young property manager is clear and confident about these procedures.

At that time, the young property manager can complete these duties unsupervised.

I have witnessed many promising young property managers become bitter and overwhelmed as they are thrown into the deep end and not given the chance to learn and progress at their own speed. They have also not been given the support they crave and require, in order to gain and generate confidence (both inner confidence and the confidence of upper management). This can lead to burn-out and a loss of motivation.

REINSW offers a number of courses for property managers that will help them improve their skills. There's more to training than just getting your CPD points. Help your young staff by sending them to a half-day skills workshop or paying for an online course. It will be a few hundred dollars well-spent.

How to help them cope

Property management is a specialised field which requires excellent communication skills both within the office and also in dealing with the public when conflict resolution is needed. Superior organisational skills are a necessity to survive and excel, as people who do not possess this skill will be on the back foot and are probably not suited to property management.

Effective ways of dealing with stress are required to provide an outlet whereby you do not absorb the stress and let this build up and explode. This may include yoga or meditation or sporting activities or spending time with family and loved ones. Perhaps another alternative is internal meetings to 'vent'.

It is the mentor's role to teach young property managers. To achieve maximum results out of your young staff, you may be required to ensure they are coping in other areas of their life. External issues will affect the work of the young property manager. A happy staff member looks forward to getting out of bed and is full of zest and energy and wants to accomplish at work, whereas a stressed and negative staff member is lethargic, unmotivated and dampens the mood

of the office and will bring down the spirits and enthusiasm of their co-workers.

My mentor Jose Guedes from Kelly & Sons Real Estate said: "Young property managers must also understand how to deal with different styles of people, as each person has different needs and wants and you must not let it get to you. I have a theory that there is never a problem, only a solution."

IF YOU CAN FOSTER A POSITIVE ATTITUDE TO WORK AND CONTINUALLY HIGHLIGHT THE GOOD THINGS ABOUT THE JOB, YOU WILL HELP THE YOUNG PROPERTY MANAGERS TO COPE

How to retain young property managers

Regular feedback and communication is vital in retaining young property managers. By talking regularly to your staff, you are getting a snapshot of their thoughts and feelings at that time. Encouraging staff to promote and forward their ideas that may improve on current systems will help the property manager feel that their opinion is valued.

Weekly property management meetings and performance reviews using key performance indicators (KPI's) provide a steady structure for growth, both in terms of knowledge and also an incentive to increase their remuneration. Commission systems are utilised as a way of encouraging staff members to achieve their financial rewards if they are prudent and effective at work. Make young property managers accountable for their portfolios by ensuring that the value of their portfolio is increasing rather than going backwards.

In order to maintain interest, I recommend that the duties of a property manager are varied and exciting. For example, a portfolio

manager controlling all facets of a portfolio is a better way of maintaining morale as opposed to one person conducting all the arrears or a different person who does all of the inspections. This keeps the job fresh and interesting and this will encourage staff to remain keen and avoid the pitfalls or monotony and the routine of 'same old, same old'.

Challenges that a property manager faces

Our industry is heavily regulated and frequently litigated. These days, property managers are expected to be builders, accountants, lawyers, conciliators, engineers, project managers, relationship counsellors, and debt collectors.

The two biggest threats to a young property manager are the fear of litigation or being a victim of physical violence.

Going through a court case can be a frightening experience. Regardless of whether you have been negligent or not, your integrity is pillaged when you are investigated such that every move and comment you made is being picked and torn to shreds.

You can cope better through an investigation if you feel confident that all your paperwork is in order. Encourage young property managers to document everything and have rigorous policies in place so that if they face a hearing in the Consumer, Trader and Tenancy Tribunal or other legal action, they can at least be confident that they did all they could.

The threat of physical violence can be reduced by ensuring that you are not alone in one-on-one meetings, and by communicating clearly and effectively. All threats must be treated seriously and police intervention or legal assistance should be sought.

In addition, young property managers should be encouraged to learn how to cope with difficult people and resolve matters before they become problematic.

Rewards for a young property manager

In addition to the financial rewards that a property manager can earn

with their base package and also any incentive program that is offered, property managers are given the freedom and trust in managing people's most important investment and nest egg – their property.

We are not stuck behind a desk all day and we are not subjected to manual labour or 5am starts on hot tin roofs.

Every day we get to meet new people and have unique opportunities to connect within our local community and engage within our working environment. We get to see the fruits of our labour (our managed properties and portfolios) become more valuable over time and forge life-time friendships.

If you are negative about your job and only talk about the difficulties involved, the young property managers in your office will have an even harder time coping. But if you can foster a positive attitude to work and continually highlight the good things about the job, you will help the young property managers to cope through their challenges and ultimately excel in their profession.

The feeling of completing a difficult task or resolving that seemingly impossible matter brings a huge amount of personal satisfaction. This is why I decided to become a property manager and after enjoying over 12 years in this industry, I am proud of the direction that this industry is going. The acquisition of young property managers is imperative to take our industry to even greater heights.

Gary Triganza is a Senior Property Manager working at Kelly & Sons Real Estate in Newtown. He has been a property manager for over 12 years and has recently been appointed as a Committee Member in the REINSW Property Management Chapter.

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

HOLIDAY AND
SHORT TERM RENTALS:

Valuable contribution

THE LACK OF TOURISM AND ECONOMIC DATA FOR HOLIDAY AND SHORT TERM RENTAL PROPERTIES HAS MEANT THAT POLICYMAKERS AT BOTH LOCAL AND STATE GOVERNMENT LEVELS HAVE UNDERSTIMATED THE CONTRIBUTION FROM THIS SEGMENT OF THE ACCOMMODATION MARKET.

The best estimate for the number of holiday properties available for short-term rental in NSW comes from economic researchers BIS Shrapnel. In a report in 1996 titled *The Holiday Home Market in Australia*, BIS Shrapnel estimated there were approximately 183,000 holiday homes in NSW, with about half rented out when not in use by their owners, making approximately 90,000 holiday rental properties.

THE SURVEY DEMONSTRATED THE IMPACT THAT HOLIDAY RENTALS HAVE ON THE JOBS OF BOTH AGENTS AND TRADESPEOPLE.

More specific data has been hard to come by, partly due to the fragmented nature of the holiday rentals market. Some real estate agencies have just a few holiday rentals on their books while others look after a portfolio of hundreds. Many holiday rentals do not have professional management at all but are self-managed by their owners.

As part of its efforts to protect the tradition of holiday rentals, REINSW conducted a survey of agencies that manage holiday rental properties. The survey found that the agencies managed an average of 84 holiday rentals properties each, which provided an average gross rental income of \$1.2 million for the agency each year.

BASED ON THE RESULTS OF THE REINSW SURVEY, ANY MOVES TO FURTHER RESTRICT HOLIDAY RENTALS COULD BE DEVASTATING FOR TOURISM CAPACITY.

The survey demonstrated the impact that holiday rentals have on the jobs of both agents and tradespeople. The survey found an average of 2.4 full time equivalent jobs per agency to manage holiday rentals, while each agency also spent an average of more than a quarter of a million dollars annually on tradespeople and other services to support the holiday rentals properties.

The holiday rentals properties managed by the agents had an average of six beds per property (for example, two double beds and two single beds in a beach house). Expanded to the 90,000 holiday rental properties in NSW, that's a potential capacity of approximately 540,000 beds per night where tourists can sleep – in fully-furnished, self-contained properties for an average tariff of below \$150 per night.

Holiday rentals have come under fire in recent years due to criticism that occupants are noisy and cause disruption – accusations that are rarely backed with hard evidence. The hotels industry has also been criticising holiday rentals, which compete for the tourism dollar, especially in NSW coastal towns. Following a number of legal cases, some local councils have used planning laws to effectively ban holiday rentals in their area.



FURNISHED RENTAL PROPERTIES PROVIDE AN IMPORTANT SOURCE OF INCOME.

Based on the results of the REINSW survey, any moves to further restrict holiday rentals could be devastating for tourism capacity particularly during school holidays, as well as businesses and tradespeople that depend on this source of income.

“These are important preliminary findings that clearly demonstrate the significant benefits generated by holiday and short term rental properties,” said Justin Butterworth,

Chairman of the REINSW Holiday and Short Term Rentals Chapter.

He believes further research now needs to be done to examine the impact on local economies from the money spent by tourists staying in holiday rentals. Anecdotal evidence shows that many towns rely heavily on holiday rentals to attract tourists, particularly at key times of the year such as summer in coastal regions or winter in the Blue Mountains. ♦

Holiday Rentals Survey Results

- Average number of holiday rentals per agency: 83.5 properties
- Average wage per staff member: \$37,485
- Average number of beds per agency: 374 beds
- Average annual expenditure on tradespeople etc per agency: \$256,379
- Average number of beds per property: 6.1
- Average gross rental income per agency: \$1.217 million
- Average number of equivalent full time staff dedicated to holiday rentals per agency: 2.43
- Average tariff per night: \$143.8

Making the right call

WHAT TYPES OF CALLS CAN YOU MAKE TO PEOPLE WHOSE TELEPHONE NUMBERS ARE LISTED ON THE DO NOT CALL REGISTER?

It's now been a year since the introduction of the Do Not Call Register. If you're not up to speed with the rules relating to the register, you could find yourself and your agency facing tough penalties if you make the wrong call.

The following is an edited extract from advice by the Australian Communications and Media Authority to assist real estate agents understand the laws about telemarketing calls:

The Do Not Call Register provides Australians with the opportunity to opt out of receiving certain telemarketing calls.

The *Do Not Call Register Act 2006* and the Industry Standard apply to anyone who makes a telemarketing call or causes a telemarketing call to be made. This includes real estate agents.

Some examples of calls made by the real estate industry that would be considered telemarketing calls under the DNCR Act and industry standard include:

- a call to offer a free property appraisal of a person's property;
- a follow-up call to a person after they have viewed or inspected a listed property, either by appointment or at an open inspection; or
- a call to solicit the listing of a person's property.

It is against the law to make, or cause to be made, unsolicited telemarketing calls to a number on the register, unless a defence applies. Of the defences available under the DNCR Act, the one likely to be of most relevance to the real estate industry is the defence of consent.

Consent to make a telemarketing call

A person is permitted to make a telemarketing call or cause a telemarketing call to be made to a number on the register if the telephone account holder or their nominee consented to the call.

Consent may be express or inferred.

Express consent

Express consent is where a person clearly informs a telemarketer that they are happy to receive calls from them, and directly provides his or her telephone number to the telemarketer for that purpose.

Express consent is the best evidence of permission to make telemarketing calls and may be particularly useful in the context of the real estate industry. For example, 'open inspections' may provide a real estate agent with an opportunity to gain express consent to make follow-up telemarketing calls to people who attend.

Examples of methods for obtaining express consent include:

- asking people to sign an attendance sheet, which clearly states that, by signing the sheet, they agree to receive telemarketing calls; or
- providing a check box for people to tick, with a clear statement next to the box advising that by ticking the box and signing their name, they consent to receive telemarketing calls.

The burden of establishing evidence that suggests a reasonable possibility that consent was given rests with a telemarketer in the event of any complaint. This means that it is in a real estate agent's interest to keep clear records of express consent.

Examples of methods that may *not* be adequate to establish express consent include:



- where a person signs an attendance sheet, but it is not made clear to the person that, by doing so, he or she is giving consent to receive telemarketing calls (for example, because the relevant text is too small, or is located at the bottom of the sheet where it may not be apparent to the person signing the sheet); or
- where a sign is displayed at an open inspection stating that, by attending the inspection, a person is giving his or her consent to receive telemarketing calls – in such cases, it may not be clear whether a person agreed to, or even saw, the statement on the sign.

Express consent is taken to last for a period of three months from the date it was given, unless the consent was expressed to have been for a specified period or an indefinite period.

Where a real estate agent wishes to rely on express consent to make telemarketing calls for longer than three months, the longer duration must be made clear to the person providing consent. This could be done, for example, by displaying prominent text next to a relevant checkbox or signature line to the effect that:

By signing this form I confirm that XYZ Real Estate may call me on the telephone number I have provided for telemarketing purposes, for a period of six months, unless I withdraw this consent at an earlier time.

Inferred consent

Inferred consent is where a telemarketer has reason to believe that a person is willing to receive a call, based on:

- the conduct of the person; and
- the business and/or other relationships that exist between the person and the telemarketer.

Whether consent can reasonably be inferred is something that must be judged in each individual case. No 'hard and fast' rules apply.

An example of a one-off transaction may be where an agent is acting for a vendor in selling their house. Once the sale is concluded and the relationship comes to an end, it may no longer be reasonable to infer the person's consent to receive telemarketing calls from the agent.

Likewise, where a person purchases a house sold through an agent, it is unlikely to be reasonable to infer the person's consent to receive a telemarketing call some months after settlement.

However, in a letting situation, where there is an ongoing relationship between the agent and the lessor, it may be reasonable to infer that a lessor may wish to receive a call about the availability of other relevant services offered by the agent.

Obtaining a person's telephone number is not in itself sufficient to establish inferred consent.



Where a telemarketing call is made to a number listed on the register, the call recipient can make a complaint to ACMA. ACMA will investigate the matter and assess whether a breach has occurred.

Use of external data providers and 'pre-washed' lists

Some real estate agents source calling lists from third parties such as data providers or franchise groups. These lists are often provided on the basis that they have already been washed against the register and are therefore valid for use.

While it is legal to obtain such lists, liability for any breaches of the register will lie with the person who made the call or caused the call to be made, not the person who provided the list.

Agents who use lists provided by external providers may wish to take steps to minimise the risks involved by ensuring that they:

- have appropriate contracts with external list providers that take into account the legislative requirements;
- obtain the precise date that the list was washed and proof of the wash; and
- call the numbers provided within 30 days of the washing date.

One of the defences available under the DNCR Act is that if a person washes a call list and receives a response indicating that the number is not on the register, then the caller may call that number for a period of 30 days. This applies even if a

ONCE THE SALE IS CONCLUDED AND THE RELATIONSHIP COMES TO AN END, IT MAY NO LONGER BE REASONABLE TO INFER THE PERSON'S CONSENT TO RECEIVE TELEMARKETING CALLS FROM THE AGENT.

number was added to the register during that 30-day period, and effectively provides a 30-day validity period for list washing. However, this defence is only available to the person who washed the list. In cases where a real estate agent obtains an externally provided list and does not carry out their own list wash, they cannot rely on the 30-day defence.

In the event of a complaint about a call being made to a registered number in these circumstances, the telemarketer could establish another defence by showing that they took reasonable precautions and exercised due diligence to avoid the contravention. Where ACMA is investigating a complaint, whether a person has taken reasonable precautions and exercised due diligence will be assessed on the particular facts.

ACMA recommends that real estate agents who use externally provided lists seek their own legal advice regarding this matter.

Research calls

The term 'research call' is defined in section 7 of the Telecommunications Act. In broad terms, a research call is a voice call made to an Australian telephone number with a purpose to:

- conduct opinion polling, or
- carry out standard questionnaire-based research.

Research calls can be made to numbers on the register, but must comply with the requirements of the industry standard.

Where a call is for both telemarketing and research purposes—in that it contains opinion polling or research elements, but also has a telemarketing component—then the call is a telemarketing call for the purposes of the Act and must not be made to a number on the register.

For example, if a real estate agent decided to survey consumers in a particular geographical area, asking a series of standard questions about their goals as a home owner, this is likely to amount to a 'research call'. But if these calls included any type of commercial element – for instance, by asking how much they would be willing to pay for a three-bedroom house in suburb X and then promoting the availability of such properties – it may become a telemarketing call and be prohibited to be made to numbers on the register.

For more information, visit the ACMA website at www.acma.gov.au or call the REINSW Agency Services Helpline on (02) 9264 2343. ♦

Telemarketers should seek their own legal advice if they are unsure about whether there is inferred consent in particular circumstances.

Checking the Do Not Call Register

ACMA has established a system for people who make telemarketing calls, or cause telemarketing calls to be made, to check (or 'wash') their calling lists against the register. This system provides an effective way for people to avoid contravening the requirements of the DNCR Act by calling registered numbers. People can access the system to establish a washing account by visiting www.donotcall.gov.au. A subscription fee is payable, depending on the volume of washing transactions sought.



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But it was just a joke ...



BY CLAYTON PAYNE

ALTHOUGH THE SEX DISCRIMINATION ACT HAS NOW BEEN IN PLACE FOR OVER 20 YEARS, SEXUAL HARASSMENT IS STILL A MAJOR ISSUE FOR MANY WORKPLACES. IT HAS BECOME MORE PREVALENT PARTICULARLY IN PROFESSIONS AND INDUSTRIES THAT HAVE TRADITIONALLY BEEN MALE ORIENTATED AND HAVE IN THE LAST FEW YEARS ATTRACTED LARGE NUMBERS OF FEMALE RECRUITS.

Legislative Framework

Sexual harassment is dealt with under the *Sex Discrimination Act 1984* at a Federal level, and by the *Anti Discrimination Act 1977* in NSW.

CARE MUST BE TAKEN TO WRITE A SEXUAL HARASSMENT POLICY AND TO ENSURE THAT IT IS CLEAR.

What is sexual harassment?

Generally, sexual harassment is described as being any unwelcome conduct of a sexual nature which makes a person feel "offended, humiliated or intimidated" where that reaction is reasonable in the circumstances.

The legislation focuses upon whether a "reasonable" person would anticipate that the alleged victim would have been "offended, humiliated or intimidated" by the conduct to establish whether such harassment has taken place. There are various factors that need to be taken into account in determining this issue. For example, a lewd joke made to a 22-year-old male could well attract a different reaction if it were made to a 22-year-old female.

Conduct amounting to sexual harassment can take various forms from sexually explicit emails to suggestive comments or jokes to even leering at a person.

Case examples

The cases of *Asnicar v Mondo Consulting Pty Limited* [2004] NSWADT 143 and *Webb v Newcastle Hire Cars Limited & Ors* [2004] NSWADT 142 both considered the question of whether a "reasonable" person would anticipate that the alleged victim would have been "offended, humiliated or intimidated" by certain conduct.

In *Asnicar*, the female complainant made various allegations of sexual harassment, including that her manager made remarks of a sexual nature to her such as "Did you take your six sh*t hot pills today", left a red satin heart on her desk and sent her unnecessary and inappropriate text messages.

The Tribunal took into account evidence which included that the female employee had said "nothing was wrong" when asked directly by her manager whether anything was wrong, and that the employee had stated that she loved working for the manager – remarks which could have been seen as indications that she was not offended by the manager's personal remarks to her.

Despite this evidence, the Tribunal still found that the conduct complained of would have been offensive to a reasonable person.

In *Webb*, the Tribunal considered the question of whether a reasonable person would anticipate that the complainant, in this case, a female in a predominately male workplace,

THE LEGISLATION FOCUSES UPON WHETHER A "REASONABLE" PERSON WOULD ANTICIPATE THAT THE ALLEGED VICTIM WOULD HAVE BEEN "OFFENDED, HUMILIATED OR INTIMIDATED" BY THE CONDUCT.

would have been offended by the following conduct of co-workers:

- derogatory comments;
- the display of pornographic magazines and calendars in the workplace lunchroom;
- touching; and
- harassing phone calls.

Not surprisingly, the Tribunal found that this conduct was offensive and awarded the complainant compensation.

Vicarious liability

It is imperative that employers put policies in place dealing with the prevention of sexual harassment largely because, at law, an employer can be held vicariously liable for the acts of one of its employees, unless it can be shown that they have taken all reasonable steps to prevent sexual harassment from taking place.

Whilst courts and tribunals will examine the size of a business to ascertain what is reasonable in terms of preventing such harassment, it has been found that even small businesses have an obligation in this regard which would at the very least entail the implementation of a policy preventing sexual harassment.

In *Asnicar*, discussed above, the employer was found to be vicariously liable for the conduct of the manager because it could not prove on the balance of probabilities that it did not authorise the sexual harassment and had not proved on the balance of probabilities that it took all reasonable steps to prevent the manager from contravening the *Anti Discrimination Act*.

If an employer is aware of the harassment informally, inactivity

may suffice to indicate that the alleged activity is authorised.

Policy implementation

To avoid a finding of vicarious liability, the employer must show that all reasonable steps were taken by the employer to prevent the sexual harassment from occurring. These reasonable steps should amount to practical, active, preventative measures.

The two main ways in which liability can be avoided are to:

1. Implement a process to prevent sexual harassment from occurring which can be primarily achieved by the implementation of a sexual harassment policy that is monitored; and
2. In the event that sexual harassment does occur, to take appropriate remedial action, for example, having appropriate procedures in place for dealing with complaints once they are made.

Care must be taken to write a sexual harassment policy and to ensure that it is clear. It is also imperative that the policy be acted upon and that employees are reminded of their obligations and the consequences of not following it.

The process of dealing with sexual harassment complaints also requires thought and planning and the training of relevant complaints officers.

Clayton Payne is an Associate at Carter Newell Lawyers. ♦

Disclaimer

The material contained in this publication is in the nature of general comment only, and neither purports nor is intended, to be advice on any particular matter. No reader should act on the basis of any matter contained in this publication without considering and, if necessary, taking appropriate professional advice upon his or her own particular circumstances.

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HR obligations



BY CAROLINE BUSVINE

MISTAKES WHERE PERSONNEL ARE CONCERNED CAN QUICKLY BECOME COSTLY MATTERS, WITH A GROWING PROPENSITY FOR DISGRUNTLED EMPLOYEES TO LODGE COURT ACTIONS WHEN THEY BELIEVE THEY HAVE BEEN SUBJECTED TO AN UNFAIR WORK PRACTICE.

To protect your business and avoid any heavy financial penalties, there are some workplace issues that managers must address.

Occupational health and safety (OH&S)

Your company has a legal obligation to provide a safe and healthy work environment for your employees, contractors and visitors. All employees have a vital role to play in ensuring your company meets its occupational health and safety legislative obligations.

OH&S responsibilities of managers

Managers are responsible for ensuring the health and safety of employees. In particular, managers have a responsibility to:

- regularly inspect the workplace to ensure a safe work environment is maintained;
- ensure all persons are aware of and comply with OH&S policies, procedures, instructions and systems of work;
- promptly investigate any incident or hazard reported to them and implement any corrective action necessary;
- supervise employees to ensure that work activities are being safely undertaken;
- ensure employees are trained and instructed to perform their work safely including the safe use of any plant and substances (including refresher training); and

- review and monitor contractors to ensure appropriate safety systems are in place.

OH&S responsibilities of employees

Employees have a legal duty to cooperate and comply with safety systems. This includes:

- participating in OH&S activities and consultation including but not limited to, investigations, inspections and OH&S meetings;
- reporting any hazards to their manager;
- completing the register of Injuries whenever accidents or injuries occur;
- attending training as directed; and
- using any safety gear and personal protective equipment provided.

Harassment

Harassment is an uninvited and unwelcome behaviour that offends, humiliates or intimidates another person, whether or not that effect is intended. Harassment may occur as a single act, or as a series of incidents, persistent innuendos or threats. It can take many forms, it may be silent or loud, subtle or openly hostile, and it can be private or public.

Harassment at work is unlawful. Both the employer and an employee against whom harassment is established may be held legally liable for unlawful actions and be required to pay damages.

Harassment can reduce the effectiveness of an employee by creating a threatening environment, increasing absences from work and increasing employee turnover.



All employees have the right to work in an environment free from harassment. Your business should have a strong written policy on harassment and when incidents are reported you must take immediate steps to enforce its provisions.

Discrimination

Unlawful discrimination may occur when an employee is treated less favourably than others because of that employee's individual characteristics or because that employee belongs to a particular group of people.

Discrimination does not have to be calculated or intentional to be unlawful. The intention of the person discriminating is irrelevant.

Basically, two types of discrimination can occur in the workplace:

1. Direct discrimination – this occurs when an individual treats another person less favourably for an unlawful reason; or
2. Indirect discrimination – this occurs when a policy or practice appears neutral but in fact, results in an individual or group being treated less favourably.

The following examples may constitute unlawful discrimination:

- a pregnant employee being pressured to resign prior to taking any maternity leave; or
- making the decision not to hire a prospective candidate on the basis of the person's ethnicity.

Treat all members of the team impartially and don't allow others in the business to practice discrimination.

The hiring contract

Every person you appoint should be provided with a written copy of their basic contract conditions. They should sign two copies, one for their personal retention and one for your files. This will ensure that both parties have a clear understanding of the terms of the appointment – pay, duties, leave entitlement and other relevant details, and have agreed to them.

Protecting the firm's IP

Every business has intellectual property of some kind. It could be patents or copyrights, its customer database and pricing schedule, or its marketing and business plans. A good test to know if something is

IF YOU INTRODUCE ANY WORKPLACE POLICIES, YOU MUST BE PREPARED TO ENFORCE THEM.

confidential is whether the information is generally available in the public domain. If it's not, it's likely that it is confidential information.

Everybody in the company should sign an agreement that states they will not disclose this intellectual property to others, both during and after their employment with you, and that on termination all documents related to IP or owned by the company will be returned. Put it in as part of the hiring contract.

Employment history records

You should document every significant element of a team member's relationship with your business from the time of their appointment until the time they leave. If a person is promoted (or not promoted) the reasons need to be recorded for future reference. This includes recording things like disciplinary problems, customer complaints, and minutes of counseling meetings and violations of your employment policy. It should also include any complaints they make to you. But don't just dwell on the negatives – you should be recording the customer kudos and their work-related achievements as well.

Invasion of privacy

If you intend to monitor team members' communications – a common practice in these days of email and the internet – be sure the way you do it can't be seen as an invasion of their privacy. State your policy in this regard as part of your hiring agreement and don't try

to get away with anything that could be construed as 'snooping'.

You can reduce your risk of a case arising in the first place, and improve your chances of winning a court action, by documenting, distributing and enforcing strong policies around these core issues.

For example, the policy could state that limited personal use of the internet is permitted, however privacy is not assured, and all activity must be lawful, kept to a minimum and performed during breaks.

Put it in writing

Here are two examples from the NSW Industrial Relations website that show the importance of workplace policies.

1) A butcher lost his unfair dismissal claim after it was found he deliberately contravened health standards and breached quality assurance standards by throwing meat on the floor. These standards were well known and displayed, and all staff had been warned about the consequences of not complying with these standards.

Moral of the story: by having policies and procedures displayed and understood by all staff, you ensure that a disgruntled employee cannot claim ignorance.

2) An employee who was dismissed for breaching the non-smoking policy won her job back because although the company had a non-smoking policy, the consequence of breaching was not known nor was the policy adhered to.

Moral of the story: if you introduce any workplace policies, you must be prepared to enforce them.

Caroline Busvine is Human Resources Manager at REINSW. ♦

What is harassment?

Bullying

Examples of behaviour that may be considered bullying include, but are not limited to:

- excluding someone from workplace activities;
- giving someone the majority of unpleasant tasks;
- verbal abuse;
- humiliating someone through sarcasm or insults; and
- intimidation.

Sexual harassment

Examples of sexual harassment include, but are not limited to:

- jokes and pranks containing sexual innuendo;
- lewd comments about appearance;
- unnecessary or non-accidental body contact;
- displays of sexually offensive materials, for example, calendars, pornography or posters;
- requests for sexual favours;
- speculation about a person's private life and sexual activities;
- threatened or actual sexual violence; and
- threat of dismissal, loss of opportunity and so on, for refusal of sexual favours.

Racial harassment

Examples of racial harassment include, but are not limited to:

- insensitive comments, jokes and pranks related to race;
- deliberate exclusion from conversations;
- abusive, threatening or insulting words and behaviour; and
- displaying abusive writing and pictures.

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Starting your career

TRAINEESHIPS ARE A GREAT WAY FOR YOUNG PEOPLE TO ENTER THE REAL ESTATE INDUSTRY.

Rachael Gauci, 21, recently completed an REINSW traineeship at R A Lawrence Real Estate at Leura in the Blue Mountains.

"I was at university studying Primary Education," Rachael said. "I had completed my first year and realised that it was not the career I wanted to follow. I was always interested in real estate and the traineeship gave me the opportunity to earn a wage whilst I was studying – actually enabling my partner and I to get into the property market ourselves by buying our first home.

"The traineeship also appealed to me as I knew I would be gaining invaluable on the job experience to assist me with my coursework."

Traineeships are funded by the NSW Government and are conducted with the support of dedicated REINSW staff and trainers. Trainees complete the Course in Property Practice in order to receive their Certificate of Registration, and then complete the Certificate III in Property.

"THE TRAINEESHIP ALSO APPEALED TO ME AS I KNEW I WOULD BE GAINING INVALUABLE ON THE JOB EXPERIENCE TO ASSIST ME WITH MY COURSEWORK."

"The traineeship involved a year commitment to studying while I worked," Rachael said. "REINSW offers a classroom learning environment but as I live two hours away from these classes I chose to do my studies by correspondence and completed most of my modules online. It always involved liaising with my trainer every few weeks regarding my progress and any questions that I had regarding my assessment.

"The traineeship was flexible and enabled me to work at my own pace, although I was required



to ensure that all necessary modules were completed in the 12 months. My trainer assisted me in choosing modules that would assist my focus – being property management – whilst also keeping in mind that I would probably then go on to complete Certificate IV. Several modules that I completed will give me a credit transfer for the higher certificate."

Rachael's current role at R A Lawrence Real Estate is as a property officer.

"As I am working in a small office environment, I am also required to assist in other areas, for example in front office, sales administration etc. My ambition for my career is to be a dedicated and successful real estate agent. I hope to progress to property manager in our office and perhaps even give sales a go once I have completed my licence."

Rachael believed a traineeship through REINSW was the ideal way to get started in the industry.

"I would definitely recommend other aspiring real estate professionals do a traineeship with REINSW as it provides you with a strong foundation to the rest of your career in real estate," she said.

"The assessments are varied and interesting, enabling you to demonstrate the on-the-job experience that you have gained.

"The dedication of the REINSW team ensures that you are supported through all phases of the traineeship."

To find out more about traineeships, call (02) 9264 2343, email [Sonia Jovceski at sjovceski@reinsw.com.au](mailto:Sonia.Jovceski@reinsw.com.au) or visit www.reinsw.com.au/training.

Real Estate '08

BECOME THE BEST YOU CAN BE! REAL ESTATE '08 GIVES YOU THE OPPORTUNITY TO INTERACT WITH THE REAL ESTATE MASTERS.

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Topics covered will help you to:

- list more properties;
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Charles Tarbey, Chairman and Owner of CENTURY 21 Australia

Charles Tarbey is a man with vision. During his career, Charles has trained thousands of sales, secretarial and management people, many of whom have gone on to become successful entrepreneurs. He regularly addresses business leaders and is a frequent lecturer travelling all over Australia, sharing with the industry his ideas and concepts developed over his three decades in real estate.

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Time: 9.30am – 4.00pm

Price: \$99 Member
\$119 Non member

Early bird price before 30 May:
member \$79.00 Non member \$99

CPD points: 5 in Learning Category 1



Kate Lumby

Kate is Chairperson of the REINSW Auctioneers Chapter and was recently elected to the REINSW Board of Directors. She is a specialist property auctioneer to many of Sydney's high profile agencies, auctioneering in all regions of the state for the past 15 years, conducting in excess of 1,000 auctions per year. Kate's dedication combines passion with vitality to bring a fresh approach to the agents she works with and their auction results.



Leigh Stewart

For over 15 years Leigh has been a dominant force in Illawarra real estate. He was awarded Illawarra sales person of the year in 1998 and 1999. He was also a finalist in Auctioneer category of the REINSW Awards for Excellence in 2005 and 2006. One of Ray White NSW's leading agents, Leigh's focus has and always will be on exceeding vendors' expectations.



Tom Panos

Tom Panos is the Group Real Estate Advertising & Development Director for Courier/Cumberland Newspapers. He has coached and trained over 7,000 real estate agents across Australia and Asia in the past 10 years. He has a Masters Degree in Management as well as experience at an industry level of managing his own agency. Tom is the author of *POWER & Winners In Business* (with Gerry Harvey, Mark Bouris & John Symond) and is a highly sought-after auctioneer.

A 'goods' story



WHEN GEOFF BUSHNELL FACED BEING SUED FOR \$180,000 OVER THE CONTENTS OF A SELF-STORAGE GARAGE – THE FIRST CLAIM AGAINST HIM IN 30 YEARS OF BUSINESS – HE WAS RELIEVED TO HAVE REALCOVER BY HIS SIDE EVERY STEP OF THE WAY.

"I'm not a cowboy agent," said Geoff Bushnell, Principal of Raine & Horne Charmhaven on the Central Coast. "I don't take risks. I don't fly by the seat of my pants."

Yet his careful, cautious approach to real estate was not enough to prevent him being caught up in court action.

"We manage self-storage. It's a small building, about 150 units," he explained. "These people had one garage, which was a standard single garage. They had not paid their rent for about three months. There's a process which you go through to collect the money. It culminates with the goods being auctioned to recover the money. We went through that process and did everything to the letter of the law.

"You have to make an inventory. You have to document everything. I'm old-fashioned – we do hard copies. I get my staff to diarise everything. We took photos.

"The value of the goods in my view was low. They basically sued us stating the amount of money the goods were auctioned for was below market price. They were claiming \$180,000 for loss, stress, and the sentimental value of the goods."

The self-storage renters sued the owner of the building, who in turn sued Geoff's agency in a cross-claim.

When Geoff discovered he was facing a claim, he immediately alerted RealCover, the professional indemnity insurer that is 100% owned by REINSW.

"I felt confident as I know my record keeping," he said. "We believed that we had done the right thing. We always got the owners' permission before we went to the next step."

"THE COST OF THIS TO ME WOULD HAVE BEEN HUGE HAD I NOT HAD REALCOVER IN MY CORNER."

It's not unusual for an agent to be pulled into a claim whether or not they have done anything wrong. However the experience for the agent can be made worse depending on how the insurer handles the claim. Some agents have been distraught to discover that their insurer has sat on a claim for many months, allowing circumstances to escalate, and in some cases claims have been settled without the agents even getting a say in the matter.

In Geoff's case, he was kept informed every step of the way and was reassured by RealCover that his paperwork was in fact in order.

"I was extremely happy with the way it was handled," he said. "I really felt that RealCover was in my corner. I really felt that they were supporting me as an industry participant, not just as an insurance company. Their expertise and knowledge was second to none. How any agent can be without RealCover, I don't know."

On the day of the court case, based on legal advice, the claim was settled for a small proportion of the amount originally sought by the plaintiffs.

"It was a commercial decision. Sometimes it's cheaper to walk away than to fight on," Geoff said, noting that his professional indemnity insurance covered most of the cost to his business.

"The cost of this to me would have been huge had I not had them [RealCover] in my corner.

"You can think that because you haven't had a claim it might never happen. Now I know from personal experience that professional indemnity insurance with RealCover makes all the difference."

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

"I FELT CONFIDENT AS I KNOW MY RECORD KEEPING. WE BELIEVED THAT WE HAD DONE THE RIGHT THING."


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START YOUR NEW JOB BY ORGANISING YOUR NEW SUPER ARRANGEMENTS.

YOU'VE JUST STARTED THE JOB OF A LIFETIME – AND NOW THERE IS SO MUCH TO DO!

ON COMMENCING WITH A NEW EMPLOYER YOU WILL BE GIVEN A HANDFUL OF PAPERWORK – SOME OF IT CONCERNING SUPERANNUATION. IN THE RUSH OF A NEW JOB IT IS EASY TO JUST SIGN (OR FILE) EVERYTHING WITHOUT REALLY PAYING ATTENTION, SO HERE'S A LIST OF SUPERANNUATION MATTERS TO CHECK WHEN YOU START A NEW JOB.

Choice of super fund

Your employer will provide you with a 'Standard Choice Form' within 28 days of you commencing work. This form tells you to which fund your super will be paid if you don't elect otherwise.

In order to avoid having multiple super funds and paying multiple sets of fees as a result, it helps to elect a super fund that you already have investigated and are comfortable with. You make your election by completing the second half of the Choice form with your fund and membership details. Your current super fund will be able to help you to do this. If you do nothing, your employer is entitled to pay your super to their own choice of fund.

Changing jobs is a good prompt to reconsider your current fund choice – consider comparing the fund performance, investment options, insurances and fees of your existing super fund with the company default (ask payroll to provide you with a copy of their default Fund's Product Disclosure Statement to help).

Loss of insurance

Make sure that your employer informs your super fund that you have joined

the company and that they will shortly be paying contributions on your behalf.

It is likely that you have some personal insurance with your existing super fund, such as Total and Permanent Disablement or Temporary Disablement cover and these policies are often contingent on you being employed. If you don't have regular employer contributions being paid to your super fund, your associated insurance policies may be cancelled and you might be required to go through medical questionnaires and tests to reapply.

IF YOU HAVE CHANGED JOBS A NUMBER OF TIMES SINCE 1992, IT IS POSSIBLE THAT YOU HAVE 'LOST' SOME SUPER ALONG THE WAY.

Personal contribution agreements

If you are planning on making personal contributions to your super fund via your office payroll, be sure to put the arrangement in writing before money is taken from your pay. The most common misunderstandings are whether personal contributions:

- are pre or post tax (and therefore whether they are salary sacrifice or whether they are eligible for the government co-contribution);
- are to be paid immediately/monthly/quarterly;
- are to be to the default fund or to another super fund; and

- impact the employers' obligation to pay superannuation guarantee contributions.

Previous super

If you have changed jobs a number of times since 1992, it is possible that you have 'lost' some super along the way. The best websites to track down lost super are unclaimedsuper.com.au and the ATO Superseeker site (try Google). Locating your super is easy and free and both services assist you in consolidating lost super into your chosen super fund.

Bear in mind that account balances below \$1000 are protected from fees, so even if you only worked somewhere for a short time a long time ago and your old super balance was relatively small, your money is most likely still waiting for you to claim it.

For more information email bdm@reisuper.com.au or call 1300 134433 ♦

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BORROWERS WILL OFTEN REFINANCE THEIR MORTGAGE AT A TIME WHEN THEY ARE UNDER STRESS AND HAVING DIFFICULTY MEETING THEIR REPAYMENTS. UNFORTUNATELY, THE PRESSURE OF THE SITUATION CAN ALSO LEAD TO BORROWERS GETTING THEMSELVES INTO EVEN MORE FINANCIAL TROUBLE.

A recent report by the Australian Securities and Investments Commission (ASIC), found a number of examples of brokers taking advantage of borrowers under financial stress.

"These borrowers were intent on saving their family home, which placed them in a vulnerable position where they were prepared to accept almost any solution," said Delia Rickard, ASIC's Acting Executive Director of Consumer Protection.

"Borrowers need to be hard-headed in these situations. They need to seriously examine their financial position and determine whether their problem is a temporary difficulty in meeting repayments or a more fundamental inability to service the loan."

In three inappropriate loan transactions examined by ASIC, refinancing cost the borrowers a minimum of \$20,120 through the brokerage fees and lender cost associated with the loans.

ASIC recommends that borrowers ask brokers the following questions if considering refinancing their mortgage:

- What will my repayments be under the new loan? Will they be less than my current repayments?
- What are your brokerage fees?
- What is the total amount in fees and costs I will have to pay to refinance? If you are not sure, what is the maximum amount?
- How long is the loan for? If it is only 1 or 2 years, what will happen when the loan ends? Will I have to sell my house anyway? If I have to sell my house, what extra costs will I have to pay?
- Are you a member of an ASIC-approved External Dispute Resolution scheme? Which scheme is it, and how do I contact it? ♦

Fixed or variable



BY ROBERT PROJESKI

FIXED RATE LOANS INCREASED IN POPULARITY OVER THE PAST FEW YEARS WITH INTEREST RATES ON THE RISE. NOW THAT INTEREST RATES APPEARED TO HAVE PLATEAUED, AT LEAST TEMPORARILY, THE TABLES MAY TURN THE OTHER WAY WITH VARIABLE LOANS LOOKING MORE ATTRACTIVE AGAIN.

The beauty of a 'set and forget' rate is that it leaves you knowing where you stand. If you have done your homework and decided you are happy with the rate and have outlined your

household budget with that rate in mind, you have the peace of mind of knowing you are not being subject to fluctuations for a fixed period of time.

If you are considering a fixed rate home loan, compare different products and look closely at the fees, the actual rate and the fixed term. There can be penalties involved if you make substantial lump sum repayments and there can be restrictions in regard to being able to take the money out again if you do make those extra repayments.

Even though change fees may increase the cost initially, getting a longer term (3-5 years) fixed rate loan could be a viable option if you believe interest rates are likely to go up.

However if rates drop you could be stuck on a higher rate for the term of your fixed period.

Many people now look at splitting their loan – a portion fixed for peace of mind, but a portion variable to provide flexibility. It is important to get the blend right to make sure you

are not doing yourself an injustice by restricting your flexibility.

If you are looking at refinancing, seek professional advice from a financial advisor. The grass may be greener on the other side, but that's not always the case, depending on what the Reserve Bank decides for official interest rates, so be sure you're making the right move.

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

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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Avoiding employee theft



BY KAREN PISANO

EMPLOYEE THEFT IS TRICKY TO PROVE AND IT'S OFTEN HARD TO RECLAIM MONIES OWED. THERE ARE ALSO VERY SERIOUS RAMIFICATIONS FOR A LICENSEE WHEN THEFT INVOLVES TRUST MONIES.

HERE ARE TWO HYPOTHETICAL SITUATIONS THAT SHOW HOW EASILY EMPLOYEE THEFT CAN OCCUR, BUT ALSO THE SIMPLE STEPS THAT CAN BE TAKEN TO PREVENT IT.

Balancing the books

An employee has sole responsibility for the receipting of rental monies. When receiving cash, the employee either does not bank the money or only banks some of the money.

At end of month, management reviews the financials for that month, including the trust account bank reconciliation. The manager does

not suspect any wrongdoing, because the reconciliations balance and therefore appear reasonable, and the employee is able to answer any questions put to her.

This continues for a two-year period until the employee resigns. Upon her resignation, a number of well-concealed irregularities are discovered in the trust account records. The monthly reports had been manipulated in order to avoid detection by the agent's controls and audit procedures. Tens of thousands of dollars from the employer's trust account have been misappropriated.

What can you do to avoid this type of situation?

- Regularly review your bank reconciliations.
- Make sure you verify the figures used in the reconciliation. The receipts and payments totals should agree with the amounts used in the reconciliation and the list totals should agree with the reconciled bank balance.
- Regularly review and follow up 'adjustments' as this is an area that is often open to abuse.

Pocketing the rent

The receptionist of an agency is responsible for the receipting of rental monies and chasing up arrears. On a

number of occasions, the receptionist decides to pocket some or all of the rental money herself.

The theft might be discovered quickly if it wasn't for the fact that the receptionist also happens to be the person responsible for sending out arrears letters. The individual ledgers of the tenants say they are still in arrears, even though they have paid, but the receptionist simply doesn't send any further arrears letters to those tenants. She knows that if the tenants were actually sent further arrears letters, they might call up the office to point out that they have already paid the rent and the office might be alerted to the possibility that money has gone missing.

Eventually, one of the tenants discovers a discrepancy in their rent receipt and brings this to the attention of the property manager. The property manager raises the matter with the receptionist. The property manager considers the receptionist's explanation to be inadequate and reports the matter to management.

Management then conducts an audit and discovers that on dozens of occasions, the amount which had been entered into the system is less than the amount received. Thousands of dollars has disappeared.

What can you do to avoid this type of situation?

- Ensure direct debit/deposit facilities are made available to limit the volume of cash coming through the office.
- If possible, segregate duties so that different staff members handle the receipting functions, banking, preparation of financial accounts (in particular, bank reconciliations), sending arrears letters and taking complaints from landlords and tenants.

Just in case ...

In addition to putting in place procedures and policies to help avoid employee theft, prudent office managers will also ensure they have adequate insurance just in case the unthinkable occurs.

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

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WISE INVESTMENT: Walk the talk



BY CHRIS GRAY

MANY AGENTS ARE ATTRACTED TO THE PROPERTY INDUSTRY WITH THE THOUGHT OF BIG COMMISSION CHEQUES AND SELLING MILLION-DOLLAR PROPERTIES, BUT NOT AS MANY EVER FOLLOW THEIR OWN ADVICE AND ACTUALLY INVEST IN IT THEMSELVES.

What can young real estate agents do to ensure they make the best use of their income?

1. A big income doesn't automatically make you wealthy – it's what you do with it that counts. Lower-income people can get wealthier than those in higher-income brackets if they invest in growing assets.
2. There's a difference between good debt and bad debt. Buying a flashy car may make you look successful to your clients, but having a portfolio of properties may impress them even more. Try and borrow money for appreciating assets rather than depreciating ones.
3. Property leverages your time and money. Good sales agents are busy people and so property is a great investment vehicle. It leverages your time and your money – both of which are limited. Once you have bought a property, it requires very little time to manage if you have a good property manager.
4. Do the numbers. When you take into account rental income and tax breaks, property often needs to grow by 3-4% on average for you to make money. Find an accountant (who is a property investor themselves) to work the numbers for you.
5. Learn to delegate. You might be in the market all the time but often you're concentrating on working for your vendors. It often pays for you to concentrate on what you do best and then pay other professionals to work for you. Consider hiring a buyer's agent, valuer, accountant and renovator to work on your behalf. Clever investors spend a dollar to make two.
6. Renovate to add value. Renovations often add twice their value for whatever you spend, so consider buying slightly undesirable properties and get your initial deposit to go further.
7. What is the cost of delaying your decision? If a \$500,000 property increases on average by 10% a year, in the long term that's \$1,000 a week of passive income you might be missing out on. How long do you want to delay your decision?

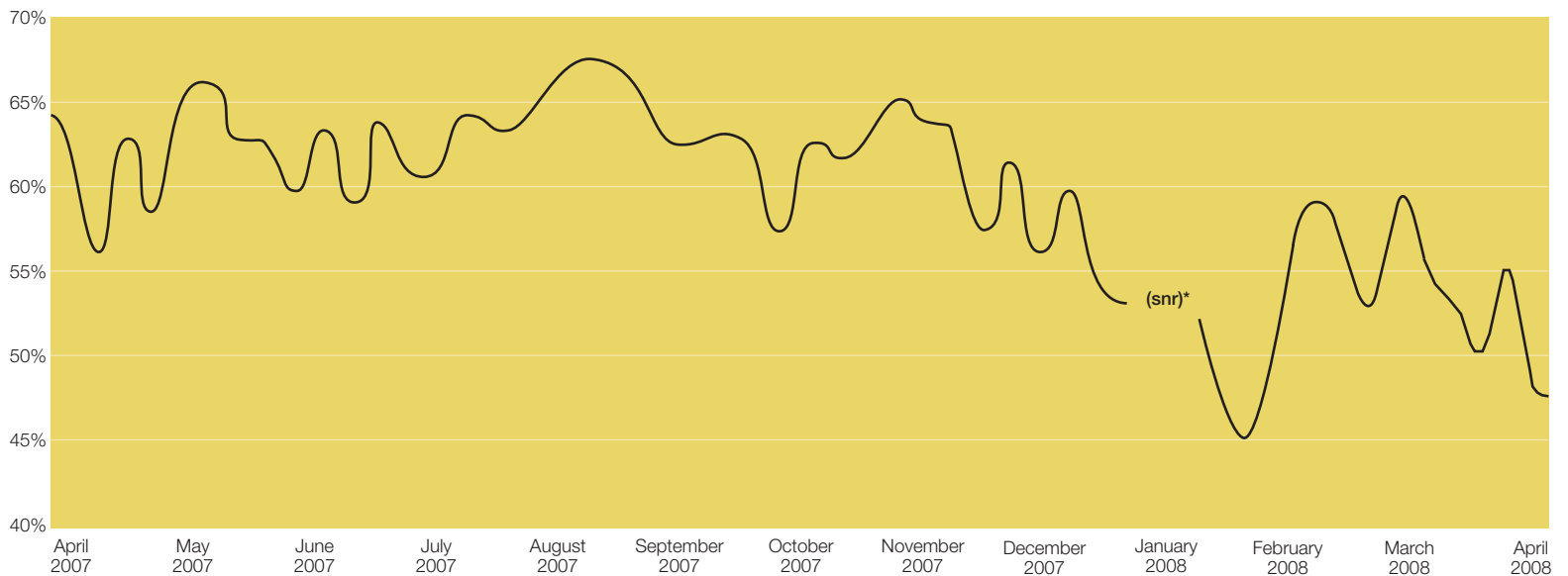
Chris Gray is the Property Expert on Channel 9's MyHome TV, and author of Go For Your Life: How to Turn Your Weekdays into Weekends Through Property Investing. For more information and for Chapters 1-2 of his book for FREE, visit www.goforyourlife.com.au. ♦

SYDNEY AUCTION DATA

Sydney weekly auction clearance rates

Week Ending	Inner Sydney		Inner West		Lower North		Inner East		Sydney	
	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate	Number Auctioned	Auction Clearance Rate
6/4/08	77	57.5%	25	64.0%	54	48.6%	74	56.8%	411	47.54%
30/3/08	51	52.9%	30	38.2%	49	64.4%	37	54.8%	411	48.13%
23/3/08	46	44.4%	3	100.0%	34	52.6%	145	59.9%	295	55.07%
16/3/08	104	54.6%	55	62.7%	99	58.0%	89	60.6%	619	50.35%
9/3/08	91	59.0%	32	63.6%	66	62.2%	83	56.3%	509	52.83%
2/3/08	83	58.6%	32	81.3%	107	63.7%	114	64.2%	589	54.75%
24/2/08	104	63.1%	36	51.4%	68	63.5%	171	69.0%	642	58.46%
17/2/08	45	72.0%	22	58.3%	25	71.4%	23	60.9%	297	52.96%
10/2/08	18	70.0%	11	75.0%	11	63.6%	3	50.0%	174	58.47%
3/2/08	4	snr	6	83.3%	2	snr	1	snr	87	56.38%
27/1/08	0	snr	0	snr	1	snr	1	snr	8	50.00%
20/1/08	0	snr	0	snr	0	snr	0	snr	10	50.00%

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
6/4/08	38	23.81%	29	25.8%
30/3/08	36	16.67%	10	23.1%
23/3/08	1	snr	0	snr
16/3/08	36	32.50%	9	66.7%
9/3/08	46	18.37%	46	18.0%
2/3/08	10	27.27%	26	17.2%
24/2/08	18	42.11%	18	43.5%
17/2/08	19	35.00%	23	41.7%
10/2/08	40	30.95%	39	16.7%
3/2/08	22	20.83%	19	11.5%
27/1/08	1	100.00%	4	snr
20/1/08	1	50.00%	3	33.3%



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

"The positive signs observed in the Sydney property market for 2007 have been relatively short lived. Rapidly rising mortgage rates have provided a hand brake to a market which was just getting going."

Membership in briefs

Build your business

Firm members of REINSW can use the Institute's logo in their marketing material, on their website and on their front window. The REINSW Member logo gives your business more credibility and provides consumers with reassurance that your office is backed by the best news, training and advice in the industry.

Take advantage of your alliance with the state's leading property association by displaying the REINSW Member logo on your shopfront. Decals (window stickers) of the new logo were distributed to all member firms in January.

Still need one?

Request your decal by emailing membership@reinsw.com.au today. ♦

Minimise your risk

Are you 100% confident that you would pass an inspection by the Office of Fair Trading?

There are heavy penalties for getting things wrong, including fines, loss of licence or loss of commission if an agency agreement is filled in incorrectly.

To make sure you are compliant with all the legislation, a friendly representative from REINSW can review your office and provide advice on how to improve your systems and procedures.

Be confident that you're doing everything right – book a Compliance Review today!

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

FOR THE CONSUMER: What Gen Y wants

For property investors, Gen Y's preferences are a source of opportunities.

When they are in the news, much of the press about Gen Y tends to be less than flattering. Not only do they job hop, show little loyalty to their employers and have three second attention spans, they also want to have everything now.

While Gen Y might be criticized for their short-termism – take what you can get when it is there – who can blame them? Often they are employed under contract, which comes with its own insecurities, such as the prospect of having to scout for new employment once the current contract ceases. Most know that buying a home, in their location of choice, is a remote possibility. Even finding a place to rent is becoming increasingly difficult, with rents skyrocketing and competition with dozens of other potential tenants to secure a place to live. In the face of this doubt about the future, 'live well and in the present' becomes the ethos.

For property investors, this is good news. An increasing number of

Gen Y's are actually happy to be renting so that they don't feel tied down, despite the challenges with the current rental market. This provides property investors with a greater pool of potential tenants than has existed in the past.

There is also high demand for rental properties in areas close to where Gen Y's want to work and congregate.

And what sorts of properties do Gen Y's want to live in? Apartments where the kitchen might be small but there is DSL cabling and capacity for technology upgrades, there's a garage or car space, a lap pool if room allows and clever use of storage.

With rising rents, low vacancies and a generation of young renters looking for a place to live, there are currently some great opportunities for property investors to enter the market.

Members are welcome to reproduce For the consumer in their own newsletters. To copy the text, go to www.reinsw.com.au, click on Knowledge Centre and visit this Journal article online. ♦

Increase your knowledge

Never get stuck for words again! Create advertisements that have impact and get results. REINSW has several books that give practical ideas on how to write brilliant real estate ads.



How to get Supergreat Results from your real estate advertising by Ian L. Price

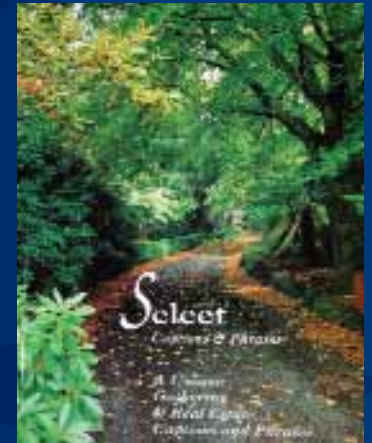
This book provides dozens of clever ads to spark ideas, as well as practical tips on aspects such as illustrations, fonts and copywriting.

Member price: \$34.16

Select Captions & Phrases

A handbook of words and phrases that you can use to describe a house when you're stuck for ideas. Like a thesaurus for the real estate industry! If you write real estate ads, keep this handy on your desk at all times.

Member price: \$22.50



Hoodoo – How to write Real Estate Advertising that sells every time! By Ian Grace

Takes the mumbo jumbo out of writing successful real estate advertising by keeping it simple. The Hoodoo system is about 'Who' will see the most value in what you are selling and what they will 'Do' as a result of your ad.

Member price: \$60

To order any of the above books, contact the REINSW Sales & Supply Centre on (02) 9264 2343, email sales@reinsw.com.au or visit www.reinsw.com.au.

Reduce your costs

You could save up to \$500 a year on your office supplies such as paper, toner, bathroom products, tea and coffee.

REINSW members receive special discounts from Corporate Express. Discounts are typically 15% to 20% less than retail price for the office supplies.

Delivery is free regardless of the order size, even for small orders

under \$50, anywhere in NSW. Delivery is also guaranteed next day in metropolitan areas and within two days in rural areas.

Take advantage of this member only offer today!

To receive your Corporate Express member discounts, call Paul Gordon on (02) 9335 0956 or 0407 471 100 or email paulg@ce.com.au. ♦

Avoiding complaints



Most complaints that are made by the public against REINSW members could be easily avoided with effective communication and good agency practice. More often than not, complaints are made because of perceived poor service or a communication breakdown.

REINSW Professional Standards Officer, Cathy McGowan, suggests a few simple yet effective ways to keep your clients and customers happy and avoid having a complaint made against your agency.

Effective communication

One of the most common mistakes made by real estate agents is the assumption that people understand the in's and out's of real estate transactions like they do, when the reality is that most people make but a few major property transactions in a lifetime.

One of the most common pitfalls made are purchasers believing that they have secured a property for sale because the terms of the sale have been agreed to, the agent has congratulated them on their purchase and they are in the process of organising inspections and finance approval, only to find out another party has made an offer or that they have been gazumped.

Agents should explain fully the options of exchanging with a cooling off period or 66W certificate. The agent should also explain their legal obligation to pass on all offers to the vendor until such time as contracts have exchanged. Ultimately the agent needs to make it very clear that should another party make an offer on the property, the agent is bound

to act in their client's best interests and in accordance with their client's instructions.

As an agent you should confirm with the purchaser that they have understood and if you have any reservations about their understanding refer them to a credible source such as REINSW or NSW Office Of Fair Trading websites where they can view consumer buying and selling information independently.

THE AGENT NEEDS TO MAKE IT VERY CLEAR THAT SHOULD ANOTHER PARTY MAKE AN OFFER ON THE PROPERTY, THE AGENT IS BOUND TO ACT IN THEIR CLIENT'S BEST INTERESTS.

Keep all parties to a transaction in the loop. Even if the information you are conveying is not what someone wants to hear, ultimately they need to be told and delaying the inevitable will only give them cause to be further aggrieved.

Set an expectation of service

Some clients can be more demanding of your time and have higher expectations of service than others. It is important from the beginning of your relationship to set a clear expectation of service. For example, with feedback from property sales inspections, explain to your vendors how it will be delivered and how

frequently. Once the expectation is set, it is vital you deliver the service and meet the expectation. If for some reason you aren't able to deliver, a simple phone call to explain the problem or delay is usually all that is needed to keep a client happy.

Resources

Staff should be trained in their area of agency practice and have a good working knowledge of relevant legislation and the REINSW Code of Practice as well as specific agency practices and procedures. As well as this vital knowledge, staff should have access to the right tools such as information technology, to get the job done.

Paperwork

Ensure all agency agreements are completed correctly to safeguard your commission entitlements and ensure you are compliant with industry laws and regulations. Sales staff should ensure that they have purchasers and vendors sign an Authority to exchange contracts document, before they exchange contracts.

Agency staff should be encouraged to keep diary and file notes as well as printing out relevant emails that should be kept in the property file.

It is important to keep all relevant paperwork together in an orderly manner in a dedicated file for easy access should any concerns or problems arise, so they can be quickly resolved.

Monitor agency performance and client satisfaction

Ask clients and customers of the agency for feedback. This can take the

IT IS IMPORTANT TO KEEP ALL RELEVANT PAPERWORK TOGETHER IN AN ORDERLY MANNER IN A DEDICATED FILE FOR EASY ACCESS SHOULD ANY CONCERNS OR PROBLEMS ARISE, SO THEY CAN BE QUICKLY RESOLVED.

form of surveys, informal discussion, thank you letters or verbal or written complaints. Regularly review agency procedures and practices in line with the feedback from these sources, in particular if there is a complaint, ask: "How could we have done things better and what can we do to prevent a complaint of this nature in the future?"

Most importantly, bear in mind the simple motto "do unto others as you would have do unto you". Not only will it help safeguard you from complaints but ultimately will assist you in being a successful and professional agent.

Cathy McGowan is the REINSW Professional Standards Officer.

For more information or for practical advice, call REINSW's Practice Support Helpline on (02) 9264 2343 or email helpline@reinsw.com.au. ♦

Reaching out

Australian real estate agents are connecting to housing projects around the world as part of FIABCI's Global Housing Foundation.

The foundation recently formed a partnership with Merrill Lynch and the United Nations Human Settlement Program, which will fund \$250 million worth of mortgages to develop houses in developing countries.

The project will develop 26,000 new homes over the next three years for some of the world's poorest people.

FIABCI World President Julian Josephs recently visited Sydney to encourage local real estate agents to reach out to these needy people around the world through FIABCI membership.

"We have a big international agenda," Mr Josephs told a gathering at REI House. Not only is FIABCI building housing in developing nations, it also plans a number of conferences for its members from around the globe. The next FIABCI World Congress takes place in Amsterdam at the end of this month, with further conferences planned for Hawaii and Beijing.

With membership costing just \$150 per year, FIABCI is a great opportunity for local real estate agents to play their part on the world stage.

For more information about FIABCI membership, contact FIABCI Australia President Philip Webb on (03) 9874 3355. ♦



FORMER FIABCI WORLD PRESIDENT JOHN GREIG GREETES CURRENT PRESIDENT JULIAN JOSEPH, WITH REINSW PRESIDENT STEVE MARTIN.

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We provide a telephone helpline for our members to call with any questions on legislation and best practice. This is an extremely valuable and popular service, providing help to around 50 members a day.

As the regulations become more complex, the demand for this member service is increasing. We are therefore seeking an additional professional to join our expert Member Services team as a helpline consultant.

You will be responsible for providing telephone support to our members on real estate compliance and other related enquiries. The majority of your time will be spent on the helpline, with the rest of your time spent on providing expert advice and input to other parts of REINSW plus keeping yourself up-to-date with legislation and regulation

















through reading, attending meetings, seminars and government briefings.

To be successful in this role you will have substantial knowledge and experience in the various facets of real estate practice, particularly property management; good understanding of property-related legislation and industry practices; outstanding written and oral communication skills; good problem-solving skills and sound PC skills with experience using Microsoft Office products.

You will be a well-organised, flexible team player with a strong customer service ethic. You will enjoy the satisfaction of helping agents to be more successful in their business operations.

Please forward resumes to the HR Manager via email hr@reinsw.com.au.

SUPPLIER DIRECTORY

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ONLINE ADVERTISING  realestate.com.au is Australia's No. 1 website for real estate, with more than 4 million property seekers visiting the site each month. To advertise your business and listings: call 1300 134 174 or email reainfo@realestate.com.au	PROPERTY DATA  The industry solution! Take advantage of the first data and website package tailored for your business by the leading and most trusted professional associations. Call 1300 137 161 or visit www.realestateworld.com.au	RECRUITMENT  PRS specialises in finding uniquely qualified professionals in the real estate industry. We are determined to ensure that we deliver the best possible service to you, our client or candidate. Call (02) 8448 8135 or visit www.prscareers.com	UTILITY CONNECTION  To use the connection service, call 1300 664 715 or email your details to agent.services@directconnect.com.au and our Agent Services Team will contact you within 24 hours.

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



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

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

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

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

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



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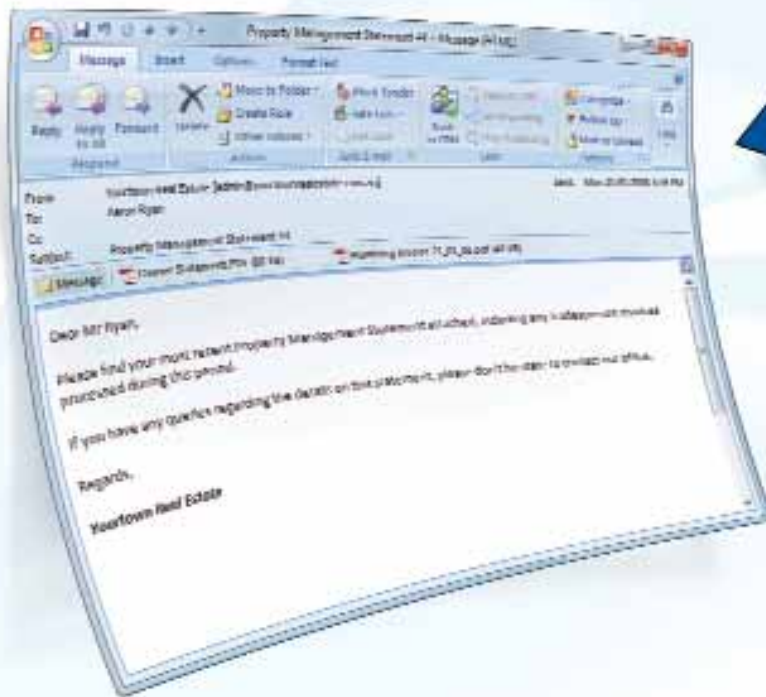
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