

Journal

OCT 2008
VOL 59/09



Endless possibilities

The latest trends in commercial and industrial property

Inside

How to handle a mortgagee sale

'Material fact' guidelines

Young Agents: Open for Inspection

Plus

Tod Anderson shares his story

10% discount
for REINSW members
on standard and platinum subscriptions



No.1 everywhere, 4.4 million visitors a month.*

In NSW, realestate.com.au provides its members with the largest online audience of property seekers – we drive MORE 'buyers and renters' to agents listings and MORE 'sellers and landlords' to your brand to win new business!

To find out more about advertising on Australia's No.1 real estate website, or for a copy of our monthly fact sheet and performance report, call **1300 134 174** or email **reainfo@realestate.com.au**

*Nieslen//NetRatings, Market Intelligence, total traffic for realestate.com.au, Australia, January 2008 REARef12



18



11



34

Contents


OCTOBER 2008

COVER:
TOD ANDERSON, DIRECTOR OF BUSINESS AND INDUSTRIAL SPACE, KNIGHT FRANK. PHOTO TAKEN AT 34 AIRDS ROAD, MINTO, A FIRST CLASS WAREHOUSE FACILITY WITH A FLOOR AREA OF 24,000SQM PRESENTLY AVAILABLE FOR LEASE.

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

To find out more about membership, call (02) 9264 2343, email membership@reinsw.com.au or visit www.reinsw.com.au ABN 51 000 012 457

 Average monthly distribution 5,206 copies (CAB audited)

 The Real Estate Journal is printed on paper that is totally derived from resources which are managed to ensure their renewability for generations to come.

18 Retail review

Retail leasing laws have come under review at both the national and state levels. But will the reviews really help to make leasing negotiations more efficient?

22 Open for inspection

Young agents receive inspiration from John McGrath and Julie Ryan at a recent seminar and networking event.

11 More clarity on material facts

The NSW Office of Fair Trading has released a set of guidelines to assist agents in understanding the definition of a 'material fact'.

34 How to handle a mortgagee sale

What are the correct procedures to follow when selling a home that has been repossessed?

PRESIDENT

President's message
In the media

IN BRIEF

NEWS

Property Outlook
Frankly, it's not so great
'Ash Monday' for agency
Bidding higher
More clarity on material facts
Consumers' questions answers

FEATURES

Local heroes: Striving for autism awareness
Today's workplace ... more than just space
Town centre makers and breakers
Retail review

EVENTS

Young Agents: Open for Inspection
Focusing, competing and engaging

TECHNOLOGY

realestateworld.com.au – a new era
Engaging your buyers

PEOPLE

Industrious worker

LEGAL

GST on forfeited deposits

CHAPTERS

3 Chapter news 33
3 Residential sales:
How to handle a mortgagee sale 34

TRAINING

7 Training news 37

FINANCE

8 Wise investment:
9 residential vs commercial 38
11 Run off with the business 39
12 Are you insured for
increased cost of working? 40
Reaching your financial goals 41

RESEARCH

13 Vacancy rates 42
14 Auction clearance rates 42


MEMBERSHIP

18 Membership news 44
Congratulations Angela Walker 45
22 New members 45
25 New member profile 45
Member benefits 46
Member discounts 46
26 Individual member 47
27 application form 47

SUPPLIER DIRECTORY

28 48

30



"REINSW MEMBERSHIP
IDENTIFIES YOU AS
A LEADER IN THE
INDUSTRY, GIVING
YOU THE EDGE
... and that's why
I'm a member."

Sara Pratt
Knight Frank Australia

Save hundreds of dollars with a 10% discount on standard subscriptions, platinum subscriptions and selected advertising products on realestate.com.au and realcommercial.com.au.

Stand out from the crowd by using your REINSW member logo when seeking new clients.

Are you making the most of your membership?

**Phone (02) 9264 2343
to find out more!**

PRESIDENT'S MESSAGE



Warming up

Winter felt longer than usual this year. It was the coldest in memory for most people. Sydney shivered through the coldest August since 1944 – the average temperature for the month was just 12.7 degrees. While that has been great for skiers (the snow season was one of the best in years!), few people want to go to open house inspections or attend an auction in cold, windy and rainy weather.

Property agents have already felt the impact of a slowing market over the past few years and cold weather was the last thing we needed.

I'm sure you felt just as relieved as I did when spring heralded not just the start of what is traditionally the best season for listings, but also the first interest rate cut in nearly seven years.

The rate cut kickstarted the spring sales. Auction clearance rates are still well below the same time last year, however an increase of attendees at auctions and open houses would suggest that we are entering a new market, albeit with some caution. Before the rate cut, new home lending hit a five and a half year low in July. It appears that there has been some pent up buyer anxiety that has been just waiting for the green light to buy.

Now with the share market suffering and interest rates on the way back down, we may find investors starting to look at property again. Rental vacancies remain tight and the huge influx of immigrants helps to underpin the demand for accommodation. I would not expect a flood of buyers, as I am sure we will all remain cautious with our finances in these uncertain times. But with summer on the way, let's hope we are warming up to a new, more active phase for the residential property market.

Meanwhile, the REINSW Board has decided to partner with St Vincent de Paul Society as our favoured charity. Vinnies do a great job across the state in helping the homeless, so this seems like a natural fit. Initially the partnership will be low key, with some volunteering and some donations by REINSW staff. Over time, though, I'd like to see the partnership supported by our members across NSW. I'll speak more on this in the coming months ...



Steve Martin
REINSW President

LET'S HOPE WE
ARE WARMING UP
TO A NEW, MORE
ACTIVE PHASE FOR
THE RESIDENTIAL
PROPERTY MARKET.

IN THE MEDIA

Agents face 'rental rage'

REINSW President Steve Martin recently appeared on *Seven Sunrise* to discuss the increasing occurrence of rental rage and to provide tips for renters on how to give themselves the best chance of securing accommodation.

On the same day, a 'rental rage' story was the most viewed article on www.smh.com.au. It also appeared

in *The Daily Telegraph* and was in radio news bulletins.

The story came after nearly 1 in 3 agents who participated in the REINSW vacancy rates survey said that they or their staff had been threatened or abused over the phone by potential tenants within the last month.

Mr Martin said that in one case police had to be called after the face-to-face harassment of an agency reception staff member.

In another incident, a tenant in arrears who was facing a rent increase and eviction threatened to hang himself in the house so no one else would want to live in it.

"These are very disturbing findings," Mr Martin said.

"Whilst it does not excuse such behaviour, it is clear that much of it is being generated by the rental vacancy crisis which continues to grip NSW."

For the latest vacancy rates, see p42.

A MEETING AREA AT THE NEWLY-FITTED OUT SYDNEY OFFICE FOR THE ICBC



Carbon neutral selling

McGrath Estate Agents is helping to reduce its impact on the environment by embedding carbon credits into every property sale transaction.

McGrath will collect a \$50 contribution upon each property sale which will be used to purchase the corresponding amount of carbon credits, sourced from Forests NSW, to counter the emissions used during the sale process.

The scheme was launched after emission consultancy Carbon Planet conducted a Greenhouse Gas Emissions audit for McGrath.

Top 5 retailing strips

Knight Frank recently listed the top five retailing strips in Sydney, based on the average net face rent:

1. Oxford Street, Paddington \$2,200/sq m
2. Campbell Parade, Bondi \$1,900/sq m
3. The Corso, Manly \$1,750/sq m
4. Double Bay retail precinct \$1,400/sq m
5. King Street, Newtown \$1,300/sq m

Chinese investment

CB Richard Ellis has established a Greater China Desk in response to enquiries from Chinese companies and banking institutions seeking to establish regional offices in Sydney.

CBRE was recently commissioned to find Sydney office premises for the world's largest bank, the Industrial and Commercial Bank of China. The bank has now committed to office space in 220 George Street.

CBRE is also working on a new office fitout at 68 York Street for Chinese Government subsidiary Yancoal.

Transport top of mind

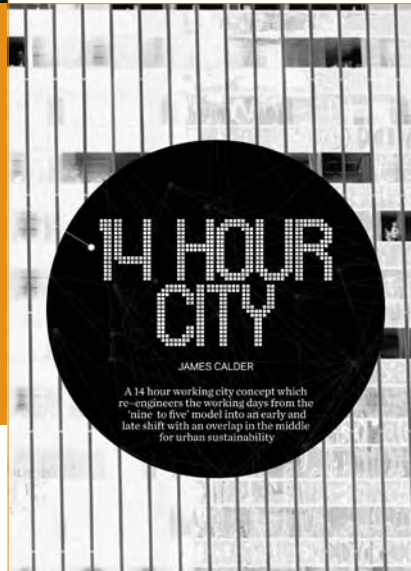
A survey of industrial occupiers has found that transport costs are one of the top factors for determining location decisions, with rising oil prices eating into the profitability of transport companies.

The survey by Jones Lang LaSalle also found that the outer central west of Sydney was the most popular location, however the inner west and south still remain popular for smaller distribution facilities due to their proximity to the airport and shipping port.

The top factors that determine Industrial location decisions

Factor	Influential %	Seen as an issue %
Property costs	90	92
Access to road infrastructure	90	90
Availability of appropriate real estate	-	87
Availability of skilled staff	88	78
Building height	88	-
Yard/Handstand area	85	-
B Double truck access	80	-

Source: Jones Lang La Salle Industrial Occupier Survey 2007/08



No more 9 to 5?

Peak hour traffic congestion and crowded public transport could be reduced by taking a new approach to working hours, according to a recent report.

The report by James Calder from Bagot Architects suggests that cities have a 14 hour working day comprised of an early shift (6am to 3pm) and a late shift (12pm to 9pm), with an overlap around lunchtime to enable meetings.

The report comes ahead of the 9th World Congress of Metropolis meeting in Sydney from 22-25 October.

Less mortgages, more debt

Younger Australians have fewer mortgages than the same age group did 10 years ago, but have more credit card debt.

A study commissioned by the Financial Services Institute of Australasia found that the largest share of financial assets in the Australian economy is held by those aged 45-59, with 41.8%, followed by those aged 60+ (32.5%).

The overall share of wealth for those aged 30-44 has declined from 28.8% to 20.7%, and for 18-29 year olds, from 7.9% to 5.1%.

The proportion of each group with home mortgages has markedly increased for the 45-59 and 60+ age groups, while the proportion of 18-29s with home loans has fallen.

The research, derived from Roy Morgan Research Single Source, also found that the number of Australians who now hold a Visa or Mastercard credit card is substantially higher than in 1998 (increasing by 44% and 25% respectively), in line with a decrease in person loans over the same period.

No complaints about this news

For the first time since the Real Estate Institute of Australia has been observing the complaints data from the Australian Competition and Consumer Commission (ACCC), real estate agents ranked outside the top 10 industries about which complaints were made in 2006-07.

The ACCC received 47,334 complaints of which only 1.2% (551) were made against real estate agents. This is a 26% drop from 2005-06.

REIA estimates that just 0.028% (or one in every 3,509) of real estate agent-assisted property transactions (sales and property management) resulted in a complaint being made to the ACCC.

Housing shortage becoming "critical"

ANZ economists are predicting a "solid rebound" in property prices in NSW, even though the market is expected to remain soft until the end of 2008.

"Excessive infrastructure charges continue to weigh on NSW home building activity with building approvals currently at their lowest level in 24 years of data," the economists wrote in the latest ANZ Property Outlook.

"NSW faces a critical shortage of housing that is becoming worse by the day ... However falling interest rates in 2008-09 could be the trigger for a turnaround in NSW property market fortunes."



AN ARTIST'S IMPRESSION OF THE NEW CBA BUILDING.



\$11.5m sale for Coffs Harbour

Coffs Harbour is competing with Byron Bay to become the new hot spot for exclusive coastal retreats, with a recent \$11.5 million sale eclipsing the previous record of \$2.3 million.

The house features three double bedrooms with ensuites, two large offices, three guest bathrooms, a cinema, gymnasium, art studio and two kitchens.

Review of the washing by-law

The Office of Fair Trading is calling for submissions as it examines the model strata by-law covering the hanging of washing, to assess whether it is still appropriate for contemporary conditions. The model by-law states that:

"An owner or occupier of a lot must not, except with the prior written approval of the owners corporation, hang any washing, towel, bedding, clothing or other article on any part of the parcel in such a way as to be visible from outside the building other than on any lines provided by the owners corporation for the purpose and there only for a reasonable period."

The by-law is generally adopted as part of a set of model by-laws covering many aspects of strata scheme management. The by-law exists mainly for aesthetic reasons, as laundry items hanging on or from balconies could be considered visual pollution.

Comments on the washing by-law should be received by 5pm, Friday 17 October 2008. Visit www.fairtrading.nsw.gov.au for more information.

Which bank is moving?

The Commonwealth Bank has announced its commitment to a long term commercial lease for the development known as Darling Walk, at the South end of Darling Harbour.

Darling Walk complements the Bank's commitment at Darling Park 1, creating a precinct in the Darling Harbour area for its Sydney CBD based employees.

The Group will consolidate its existing sites in the Sydney CBD and progressively begin to occupy both Darling Park 1 and Darling Walk precincts over the next three years.



Is your website getting lost?

When was the last time you Googled the words 'real estate' and your suburb? It's something your customers do everyday but who are they finding? Quick, better go see.

Now that you're back, we've got bad news. If your website doesn't make the top ten search results, chances are you're losing valuable customers.

What's more, that's a result your competition are most likely shouting from the rooftops.

Search engine optimisation is no joke. It's a serious element of every successful agency's business plan.

At First National Real Estate, we ensure our agents are easier to find than their competitors.

In fact, our leadership in web strategy positions 88%* of our agents in top ten Google search results - ensuring more consumers find our agents first.

So, unless you've got no competition, better give First National Real Estate a call - *quick!*

Contact recruitment specialist, Brian Crawford, on 0413 624 313



FIRST NATIONAL
REAL ESTATE

* Research results August 2007

We put you first.

Property Outlook

Sponsored by:

BRW.

THE FIRST INTEREST RATE CUT IN NEARLY SEVEN YEARS HAS BEEN WELCOME NEWS FOR THE PROPERTY INDUSTRY. A RECENT REINSW EVENT LOOKED AT THE FACTORS BEHIND THE CUT ... AND WHETHER THERE WILL BE MORE TO COME.

If you want to know what the Reserve Bank of Australia is thinking when it comes to interest rates, go straight to the source.

Real estate professionals had their chance to put tough questions to one of the top RBA economists at the recent REINSW Property Outlook lunch at the Hilton Sydney.

Keynote speaker Ric Deverell, Head of Regional and Industry Analysis at the RBA, spoke about the factors impacting on interest rates – such as the mining boom, house prices and inflation – and the reasons why the RBA has begun to cut rates.

While Ric could not make a specific prediction about the direction of interest rates, his calm analysis of the economy provided MC Chris Gray, a property investment expert, with some assurance about the immediate future.

"It's good to see that if he is not panicking, I don't need to panic myself," Chris said, before leading a panel discussion with Ric Deverell,

REAL ESTATE PROFESSIONALS HAD THEIR CHANCE TO PUT TOUGH QUESTIONS TO ONE OF THE TOP RBA ECONOMISTS.

Torq Murray from TressCox Lawyers and Rory McLeod, National Director Research for Colliers International.

Topics discussed by the panel included:

- whether more interest rate cuts are anticipated;
- the impact of rising steel prices on property construction;
- when residential property prices will increase; and
- the effects of stamp duty on sellers' and buyers' decisions.

All over a superb three-course meal at a prestige lunch venue – an enjoyable way for attendees to find out all the latest thinking on the market!

Would you like to come along to the next REINSW event? Check the events calendar at www.reinsw.com.au to find out the next event relevant to your interests, area of practice and business needs. ♦

RBA'S RIC DEVERELL, TORQ MURRAY FROM TRESSCOX LAWYERS AND RORY MCLEOD FROM COLLIERS INTERNATIONAL



RIC DEVERELL DISCUSSES THE FACTORS BEHIND THE RBA'S INTEREST RATE DECISIONS



Frankly, it's not so great

AGENTS ARE BEING TARGETED BY FRAUDSTERS IN WHAT IS KNOWN AS THE 'FRANKLIN GREAT' EMAIL FRAUD.

A real estate agency in NSW has recently suffered losses of more than \$30,000 after being caught up in an internet scam that is targeted at holiday rentals.

The scam, dubbed the 'Franklin Great' email fraud, appears to have been sent to a large number of real estate agencies and tourism companies in Australia.

The email purports to be from someone in the United Kingdom called Franklin Great (usually claiming to be from Great Groups travel agency).

In the email, Franklin Great requests a booking for holiday accommodation and asks if he can make a pre-payment in full by credit card. He also asks if the real estate agency can use some of the funds to make a payment to a third party on his behalf – ostensibly to a travel service company.

It all seems fine until the credit card payment from 'Franklin Great' bounces.

Not only is the agent left out of pocket for the money they have passed on, they also find themselves being chased by a bank or financial institution wanting to recoup the money that bounced.

In the case of the NSW agency recently caught up in the scam, an online credit card processing company deducted more than \$30,000 from the agency's account for the payments they made on Franklin Great's behalf.

The stunned agents are still trying to get that money back. After all, if Franklin Great's payment bounced, why should the agents have to

AN ONLINE CREDIT CARD PROCESSING COMPANY DEDUCTED MORE THAN \$30,000 FROM THE AGENCY'S ACCOUNT FOR THE PAYMENTS THEY MADE ON FRANKLIN GREAT'S BEHALF.

make up for it? However the agents have been told by the card processing company that the terms and conditions of the transaction meant that they had agreed to allow the company to deduct the funds at any time.

And not surprisingly, no one showed up for their holiday.

The best defence against these sorts of scams is to be wary of the way that they work. They are sophisticated frauds (sometimes part of money-laundering syndicates) that rely on people passing on payments to third parties.

If you suspect that an email sounds too good to be true, or if you are asked to pass on a substantial payment, it is a good idea to check whether the email might be part of a scam. A number of internet sites keep records of known scams – a Google search of key terms from the email is a good way to find out if it is listed on one of these sites.

If you believe you may have been caught out in a fraud, contact your local police station or contact your bank – both are experienced at dealing with these sorts of matters and may be able to investigate further. ♦

'Ash Monday' for agency

JIM MARINOS HOPED IT WAS JUST A PRACTICAL JOKE WHEN HE RECEIVED A CALL IN THE MIDDLE OF THE NIGHT TO SAY LJ HOOKER AT NEWTOWN WAS BURNING DOWN.

"As I approached I could see the flashing lights in the distance," said Jim, who heads the commercial property department at the REINSW member agency. "When we got closer I could see the flames. They had closed off the street."

The fire started at the rear of the building during the early hours of Monday, 18 August – a date the agency staff have since dubbed 'Ash Monday'. Fire crews from eight different stations tackled the blaze, which the NSW Fire Brigade described as "fierce".

By 8 o'clock that morning, nearly all of the 25 staff at the office had heard the news, while the rest found out when they turned up for work.

Jim said staff were in shock, however they were also willing to do whatever they could to keep the business running, including its property management, residential sales and commercial leasing.

"You just have to deal with it," Jim said. "It always happens to someone else" – that goes through your mind. The easiest thing is to just keep focused."

The fire damage was so extensive that the premises were uninhabitable. "We have basically written off everything," Jim said. "If it wasn't fire, it was water. If not water, it was smoke damage."

Fortunately the agency's data backups were up-to-date and the server was undamaged.

"We're lucky: we also run offices in Green Square and Leichhardt. We managed to put some of the

property management staff and sales staff there. That's been a godsend."

The main concern was ensuring that all landlords received their monthly rent payments, which the staff managed to achieve.

REINSW called immediately after hearing the news to offer assistance with replacing forms and other real estate supplies.

The agency has since rented another commercial premises in Newtown on a month-by-month basis, using rented furniture. It took three weeks after the fire to get the telephone lines and internet access up and running at the new premises.

"WE HAVE BASICALLY WRITTEN OFF EVERYTHING. IF IT WASN'T FIRE, IT WAS WATER. IF NOT WATER, IT WAS SMOKE DAMAGE."

Jim estimates that it will take six to nine months before they can move back into their office. The structure of the building will remain, however they will have to rebuild an internal mezzanine floor, which will require council approval.

Although LJ Hooker Newtown was insured for fire, Jim warned agents to consider their policies carefully, because the relocation costs have been higher than he expected.

"With commercial rents the way they are at the moment, if you don't really sit down and think about that, you will under-insure yourself there," Jim said. "If I had my time again, I would cap that a bit higher." ♦

DAMIEN COOLEY'S FIRST EVER AUCTION WAS AT HIS LOCAL REINSW NOVICE AUCTIONEERS COMPETITION ... AND NOW HE IS ONE OF THE BEST IN AUSTRALIA AND NEW ZEALAND.

At just 28, Damien Cooley has joined an elite group by making the finals of the prestigious Australasian Auctioneering Championship.

"It was a great experience, one I learned a lot from," Damien said. "I was really pleased with how I went – I was stoked."

Damien was part of a contingent from REINSW including President Steve Martin and CEO Tim McKibbin that attended the two-day event, which was this year held in Darwin and hosted by the Real Estate Institute of Northern Territory.

Damien, from his self-titled business Cooley Auctions, and David Giezekamp from Callagher Estate Agents entered the competition while REINSW Auctioneers Chapter Chair Kate Lumby attended as a judge.

A month before the event, the competitors were sent details of three properties to choose from for their 'mock' auctions.

"Out of the 17 competitors, 15 auctioneers chose the same property," said Damien, who also chose the popular property.

All properties were given the same reserve, which the auctioneers were told just before they were 'locked up' in a room at 9am. They were not allowed to leave until it was their turn to auction. Damien had to wait until 1.30pm.

"It was quite nerve-wracking sitting in that room for nearly five hours," he said.

During the auctions, the bidders followed scripts that included a few curly questions, such as vendors who wanted to retract bids.

"IT DOESN'T MATTER HOW OLD YOU ARE. IF YOU ARE THINKING ABOUT DOING IT, THEN GIVE IT A GO."

"You are judged on how you react to things that take place," Damien said. "There's a lot of entertaining involved and a lot of composure you need to show."

The next morning, the four finalists were taken on a bus to visit an impressive seven-bedroom property to auction.

The ultimate winner was New Zealander Mark Sumich, for the second year running.

Damien encouraged other young people who are thinking about auctioneering to try it out by entering their local REINSW Novice Auctioneers Competition – which is where he started at age 21.

"I was dared to go in the competition," Damien laughed. "It was my first ever auction. I sold a bottle of wine. The State Final was at Bondi. I won that, which gave me a bit of an insight into becoming an auctioneer. It ultimately led to me making the decision to become an auctioneer."

"There are plenty of opportunities for good young auctioneers coming through the ranks. It doesn't matter how old you are. If you are thinking about doing it, then give it a go. Get into the Novice Auctioneers Competition.

"It comes down to confidence. The more you do it, the better you get at it and the more experienced you get as an auctioneer. We learn every single day."◆



REINSW PRESIDENT STEVE MARTIN, DAMIEN COOLEY AND REINSW CEO TIM MCKIBBIN IN DARWIN FOR THE AUSTRALASIAN AUCTIONEERING CHAMPIONSHIP

NOVICE AUCTIONEERS COMPETITION

If you've ever thought about auctioneering but you aren't sure if you would enjoy it or if you would be good at it, here's your chance to give it a go!

PAST ENTRANTS HAVE USUALLY SURPRISED THEMSELVES WITH HOW MUCH THEY ENJOYED THE EXPERIENCE AND SOME HAVE GONE ON TO BECOME QUALIFIED PROPERTY AUCTIONEERS!

The REINSW Novice Auctioneers Competition is open to agents who have never auctioneered in a professional capacity before. Competitors auction items for charity

and are judged on their accuracy, manner of delivery and ability to engage the audience. Past entrants have usually surprised themselves with how much they enjoyed the experience and some – like Damien Cooley – have gone on to become qualified property auctioneers!

The competitions are hosted by REINSW Divisions. The winners compete at the State Final held after the REINSW State Conference in Sydney on November 28.

Competition dates

- Eastern Suburbs: 24 October
- Orana: 28 October
- Central Coast: 29 October
- Parramatta and North West: 14 November
- Illawarra: TBC.

To find out more about venues and times, visit www.reinsw.com.au and look under 'Events', email events@reinsw.com.au or call (02) 9264 2343.

Corporate Express Australia Limited is a leading single source supplier of business essentials in Australia and New Zealand.



We provide a comprehensive range of products and services that you need to run your business efficiently and effectively and partner with you to lower the cost of doing business

Corporate Express is proud to be the preferred supplier for the Real Estate Institute of NSW, ensuring you benefit with products that are well priced and market competitive.

Corporate Express and the Real Estate Institute of NSW would like to extend you the opportunity to leverage your purchasing of business essentials entitling you to:

- Access to over 13,000 product lines available at your fingertips
- FREE delivery regardless of your order size
- Innovative ordering solutions; creating ease, convenience and control
- Low prices on up to 1,000 lines exclusive to Real Estate Institute of NSW members only



Value Plus Copy Paper
A4 Ream 500

\$4.62 Rm

Order Code: 86841464



HPC4127X:
Laser Jet Ink Cartridge,
High Capacity Yield

\$202.11 Ea

Order Code: 86870580



Nestle Nescafe Blend 43
Instant Coffee 1kg Tin

\$36.93 Ea

Order Code: 85205000



EXP Envelopes White WLT
P/S 110x220mm DL Box 500

\$10.87 Ea

Order Code: 23510800

All prices include GST where applicable

If you have any further queries or specific requests, please feel free to contact your **Account Manager** or **Customer Support** on **13 26 44**

A better way to do business



More clarity on material facts

THE QUESTION EVERY AGENT ASKS WHEN TOLD THEY MUST DISCLOSE ALL MATERIAL FACTS TO POTENTIAL BUYERS AND TENANTS IS: SO WHAT EXACTLY IS A MATERIAL FACT?

The NSW Office of Fair Trading (OFT) has released an eight-page set of guidelines to help agents achieve a better understanding of this difficult issue.

The guidelines do not provide an exhaustive list of 'material facts', however they do provide some clarity about what issues to consider when trying to decide if something is a material fact or not.

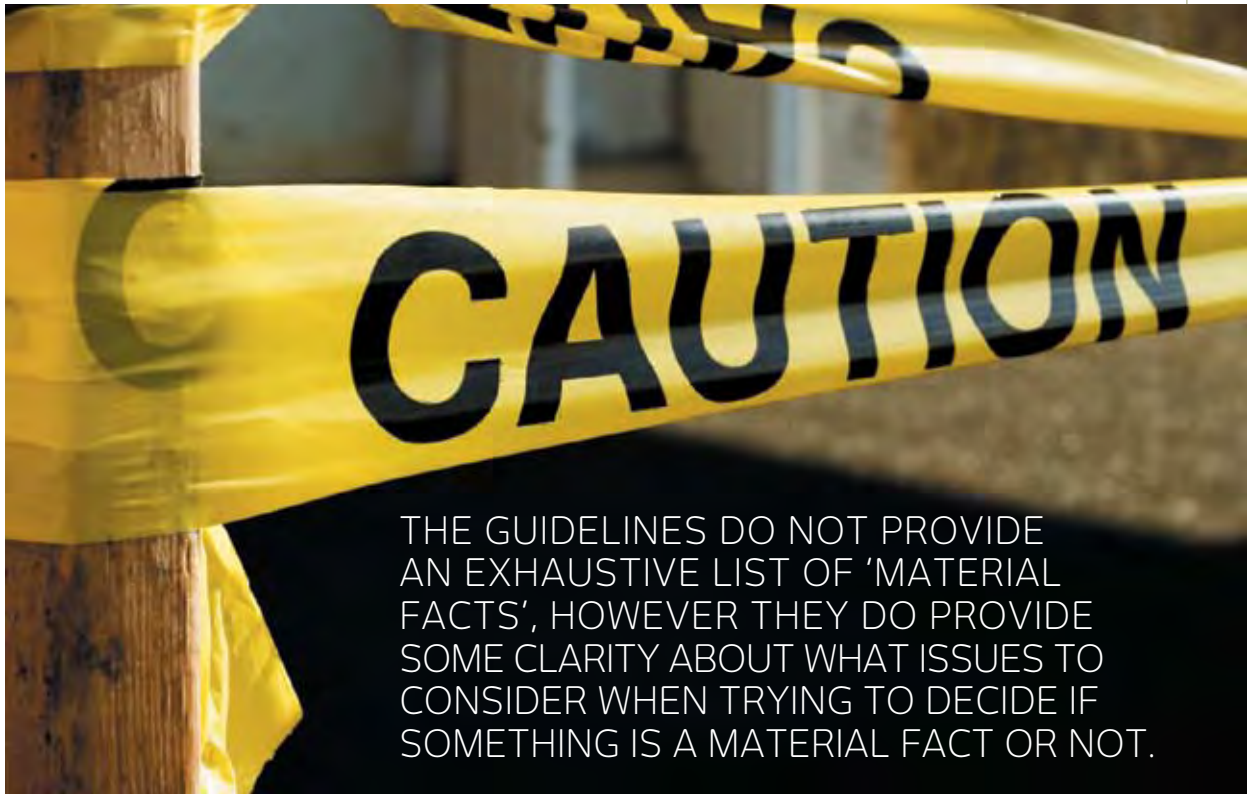
"Licensees and certificate holders must be open and honest with clients and customers," the guidelines say.

"If information is known to an agent they must not conceal or suppress information about a property if there is a reasonable expectation that the information will be of concern to a buyer or seller and is not readily apparent.

"... agents should concern themselves with considering issues which are sensitive to a significant proportion of the population."

Examples of what could be a material fact include whether the property is Roads and Traffic Authority affected, whether it had

"AGENTS SHOULD CONCERN THEMSELVES WITH CONSIDERING ISSUES WHICH ARE SENSITIVE TO A SIGNIFICANT PROPORTION OF THE POPULATION."



THE GUIDELINES DO NOT PROVIDE AN EXHAUSTIVE LIST OF 'MATERIAL FACTS', HOWEVER THEY DO PROVIDE SOME CLARITY ABOUT WHAT ISSUES TO CONSIDER WHEN TRYING TO DECIDE IF SOMETHING IS A MATERIAL FACT OR NOT.

water damage in the past, or if it was the scene of a serious crime during the current occupation.

A common question by agents is: 'How long does it take before a material fact is no longer material'? For example, if a serious crime happened in the property 100 years ago, 10 years ago or last year, when does it stop being material? While not providing a definitive answer, the OFT guidelines suggest that agents focus on material facts that relate to the period when the seller was the owner of the property.

Inevitably there will still be grey areas. What if the owners believe the house is haunted? What if a paedophile lives in the next street? What if the house is full of termites but the vendors did not tell the agent? The answer will probably depend on the circumstances and how recently the issue occurred. If you are in doubt, you can contact the REINSW Helpline for advice on (02) 9264 2343.

REINSW believes that despite the new OFT guidelines, the law as it stands puts agents in a difficult

position: they must act in the best interests of their client, the vendor, while at the same time disclose information that may not be in the best interests of their client. Importantly, the vendor does not have to disclose material facts.

REINSW believes the disclosure of materials facts must be uniform, that is, by both the vendor and the agent. As long as the vendor is not captured by the legislation, this will create a class of properties that will be sold directly by vendors wishing to avoid disclosing adverse aspects of their property. REINSW asks: where is the consumer protection?

REINSW has, in part, addressed this issue with an additional clause in the REINSW Agency Agreements, introduced earlier this year. The clause obligates the vendor to disclose any material facts and to acknowledge that the agent must disclose any material facts to potential buyers.

If you are not already using REINSW's Agency Agreements with the material fact clause, you can purchase the forms from the REINSW Store by visiting

www.reinsw.com.au or emailing store@reinsw.com.au.

The OFT Misrepresentation Guidelines are available at www.fairtrading.nsw.gov.au under 'Property agents and managers' and then 'Agency responsibilities'. ♦

Material fact courses

Find out more about the requirement to disclose material facts by coming along to a special series of training workshops across NSW:

Wagga Wagga	October 15
Wollongong	November 13
Lismore	November 19
Newcastle	November 20
Tamworth	November 25
Dubbo	December 16

All courses are from 10am to 12 noon. For venues and price information, visit www.reinsw.com.au/training.

Consumers' questions answered

HELP YOUR POTENTIAL BUYERS FIND ALL THE INFORMATION THEY NEED BY LETTING THEM KNOW ABOUT THE HOME BUYERS SHOW IN SYDNEY ON OCTOBER 25-26.

With housing affordability still a struggle, many aspiring property buyers and investors have been holding back their decision to buy for a long time. With conditions starting to improve and interest rates coming down, now is the ideal time for home buyers to start their research and planning, especially if they wish to buy in the next 12 months.

The Home Buyer Show at the Sydney Exhibition Centre is ideally timed as it is the only major consumer event in Sydney dedicated to helping home buyers. The Home Buyer Show will provide all the information and inspiration consumers need to help finance, find and buy their next home.

HELP YOUR POTENTIAL BUYERS BE ARMED WITH ALL THE RIGHT INFORMATION TO MAKE THEM 'HOT PROSPECTS' FOR THEIR HOME PURCHASE.

Why don't you mention The Home Buyer Show in your agency's next newsletter, or mention it on your website? Help your potential buyers be armed with all the right information to make them 'hot prospects' for their home purchase.

Whether they are a first time buyer, building a new home or looking for



their next investment property, the Home Buyer Show offers a wide range of advice for buyers with comprehensive education seminars.

As part of the free seminar presentations, REINSW's own experts will discuss 'Tips on selling your home or investing in property'.

For more information visit www.homebuyershow.com.au.

Limited complimentary tickets are available for REINSW members.

Please call Joanne Sacco on (02) 8267 0577 if you are interested in attending. ♦

Venue: Sydney Convention & Exhibition Centre

Date: Saturday 25 to Sunday 26 October 2008

Opening Hours: 10am to 5pm daily.

Cost: \$15

MEMBER HELPLINE

minimise your risk

Expert help from highly experienced real estate agents when you need it!

Contact the REINSW Member Helpline for advice you can trust on a wide range of everyday real estate practice matters.

Helpline advisors are licensed agents with extensive industry experience.

**Phone (02) 9264 2343, 9am - 5pm, Monday to Friday
or email helpline@reinsw.com.au**

 **REINSW**
REAL ESTATE INSTITUTE
OF NEW SOUTH WALES

Striving for autism awareness

SINCE DISCOVERING THAT THEIR SON HAS AUTISM, MAXINE AND HEATH BAIRD HAVE ACTIVELY PROMOTED AWARENESS OF THE DISORDER BY STARTING A LOCAL SUPPORT GROUP AND RAISING FUNDS THROUGH THEIR HUNTER VALLEY AGENCY.

REINSW member agency Baird Real Estate recently held a fundraising day outside their Cessnock office raising \$3,500 for Hunter Valley Autism Spectrum (ASPECT) and a local primary school supportive of autistic students.

"For our fundraiser we asked local businesses to make donations," said Maxine Baird. "We had raffles and a barbecue. We had cake and craft stalls, and a singer for entertainment, to bring the crowd in."

Maxine's husband Heath and other staff members also participated in raising funds as a part of the Sydney Harbour Bridge Run on September 21, with all proceeds going to ASPECT.

Their dedication to autism awareness began when their son Haynes was diagnosed with the disorder.

"We read every book and looked at every website," Maxine said. But what she sought the most was other people who could share the same experiences and provide practical advice. So she started Strive, an autism support network

"HAVING OUR OWN BUSINESS GIVES US A GREAT OPPORTUNITY TO HELP RAISE AWARENESS, AND ALL OUR STAFF ARE BEHIND THE CAUSE."

based in Cessnock, now comprising about 60 people.

"We have guest speakers that come along to give the group advice," she said.

Teachers from local school West Cessnock Primary also come along to Strive meetings to learn more about autism, as the school has seven autistic students.

Running their own business, looking after their two children Haynes and Eve, and co-ordinating the support group keeps Maxine and Heath very busy! But Maxine said that having their own business has been helpful too.

"Having our own business gives us a great opportunity to help raise awareness, and all our staff are behind the cause," Maxine said.

"It's on our website and 10,000 fridge magnets that we distribute annually. Next year we hope to have an even bigger fundraiser!"

For more information about autism, visit www.aspect.org.au or www.strive.id.au ♦



THE BAIRD REAL ESTATE TEAM - ELLISE MCDONALD, ASHLEE MURRAY, HEATH BAIRD, TIMOTHY STAPLETON, SARAH LEWIS AND MAXINE BAIRD



HEATH BAIRD PRESENTS A CHEQUE TO CESSNOCK WEST PRIMARY SCHOOL, ACCEPTED BY AUTISTIC BROTHERS LUKE AND JAKE BARRETT

About Autism

Autism affects at least one in 160 Australian children. This equates to a newly diagnosed child every working hour, and more than 30,000 families directly touched by autism.

Autism spectrum disorders are lifelong disabilities that affect the way a person communicates and relates to other people and

the world around them. People affected by autism typically display major impairments in three areas:

- social interaction;
- communication; and
- behaviour (restricted interests and repetitive behaviours).

Today's workplace ... more than just space

BY RAJIV NAGRATH

INTERNAL STAIRCASES, CAFES AND HEALTHIER AIR CONDITIONING ARE AMONG THE MOST POPULAR TRENDS IN OFFICE DESIGNS.

The key drivers for workplace design today can be summed up in three words: flexibility, connectedness and sustainability.

Flexibility

Given the constantly changing business landscape, the focus on workplace flexibility is paramount. Workplaces are designed on the principles of modularisation so that as teams change the desks can be easily physically reconfigured without reworking the office fit outs. The principles of flexibility further extend to supporting teams with flexible working policies which enable some staff to work from non-office locations.

Connectedness

Most organisations believe that real value and innovation comes from people sharing ideas.

Organisational connectedness is supported by providing spaces like project rooms or larger breakout/café spaces for people to meet and interact.

In high rise office buildings, the problem of teams spread across multiple floors is resolved by providing internal open atria and staircases which not only provide the physical connection but also the visual links across the organisation. People can actually see the firm 'in action' across the various teams and

ORGANISATIONAL CONNECTEDNESS IS SUPPORTED BY PROVIDING SPACES LIKE PROJECT ROOMS OR LARGER BREAKOUT/CAFÉ SPACES FOR PEOPLE TO MEET AND INTERACT.

there is a greater sense of 'oneness' in the workplace, encouraging people to interact.

Sustainability

As with all other aspects of society today, sustainability initiatives are a high priority in the workplace. Reduced use of energy, recycling of waste and use of ecologically sustainable materials in the construction of the workplace are all important considerations for organisations.

New technologies in air-conditioning provide healthier indoor environments, however fit out design and construction methods have to be redefined to suit.

Workplaces today are being built with extensive staff involvement. Leading organisations view the workplace as being the corporate glue which brings together a firm's brand, values and 'employer of choice' objectives. Businesses which have taken these approaches are already beginning to see the benefits of the well-considered workplace, such as greater staff retention and innovative new ideas.

Rajiv Nagrath is Regional Director of Corporate Solutions for Jones Lang LaSalle. ♦



THE NEWLY FITTED OUT OFFICES OF SCHERING PLOUGH AT NORTH RYDE.





LEADING ORGANISATIONS VIEW THE WORKPLACE AS BEING THE CORPORATE GLUE WHICH BRINGS TOGETHER A FIRM'S BRAND, VALUES AND 'EMPLOYER OF CHOICE' OBJECTIVES.



Real Estate Displays

THE ONLY SUPPLIER WITH THE FULL RANGE OF WINDOW DISPLAY SYSTEMS



**Projector
screens now
available**

CLEARVIEW

- ROD & WIRE** - Prestige
- Standard

SLIMLINE

ROTARY

NEW VHR

NEW GALLERY

Floor to ceiling or framed.

1800 028 574

web. realestatedisplays.com.au

email. displays@bigpond.net.au

Town centre makers and breakers



BY MICHAEL BAKER

'TOWN CENTRE' SHOPPING CENTRES ARE THE LATEST TREND FOR RETAIL IN AUSTRALIA. WHAT ARE THE ATTRIBUTES THAT MAKE OR BREAK THIS TYPE OF RETAIL?

The Rouse Hill Town Centre shopping centre opened in north-western Sydney in April, signalling the first major attempt in Australia to imitate a trend that has been all the rage in retail development overseas.

These projects are essentially just embellishments on the American idea of the 'lifestyle centre' that has been around for more than 20 years. In the early part of this decade, US lifestyle centres morphed from open-air retail centres into large mixed use projects that were often the focal point of master-planned communities, and hence commanded the fancier term of 'town centre' or 'urban village'.

A large and growing number of these developments are now in operation all over the world, with a particularly high concentration in the US where they are replacing enclosed regional centres in many locations.

EASTON TOWN CENTRE
IN OHIO, UNITED STATES



The factors that drive success or failure for shopping centres of all kinds are well known: they include location, tenant mix, size, ease of access, parking availability and of course the existing and potential competition in the same trade area. However, every different kind of shopping centre has a set of factors specific to its own genre that can make or break it. What are these factors for town centres, or perhaps more appropriately called 'faux' town centres?

1. Quality of the plazas

Most faux town centres have one or more plazas that act as community gathering areas. In the best projects, these plazas are well-proportioned in relation to the buildings surrounding them. Too small and they don't accommodate enough people to fulfill their natural function. Too large and they become no-go areas. They are often centred on an attractive fountain or other water feature and have restaurants with alfresco dining at the periphery. The construction materials used for the plaza need to be durable but bright and attractive.

THE WORST TOWN CENTRE DESIGNS ARE JUST REGIONAL CENTRES WITHOUT A ROOF, INWARD-FACING, SEALED, YET NOT OFFERING THE BENEFIT OF PROTECTION FROM THE ELEMENTS.

2. Quality of the food service tenants

The general merchandise tenants in town centre developments will tend to resemble those of traditional regional shopping centres. However, the food service tenants at the best town centres are of exceptional quality with respect to menu, internal fit out and external presence. They are best located at the development's natural gathering places, particularly the plazas and major intersections. If the restaurants and other food service tenants are not of high quality and/or not present in the plaza areas, the gravitational pull of these gathering places can be seriously impaired and detract from the whole town centre experience.

3. Human interactivity with water features

Fountains and other water features should be designed for accessibility by people, including children. On long hot summer days, kids can add great vitality to the whole town centre experience as they play in the plaza fountains (under the watchful eyes of their parents, of course).

4. Street width

Streets need to be wide to afford good uncluttered horizons. In most faux town centres, two-to-four levels of residential units atop retail is common. Unfortunately, in some cases developers fail to accommodate this and make the streets too narrow, so that they are nearly always in shade. Ideally, streets allowing vehicular traffic should also be wide enough to permit angle

parking in front of stores wherever possible. On the flipside, pedestrian malls shouldn't be so wide as to become forbidding on extremely hot days. (See point 8 below.)

5. Parking

Despite all of the rhetoric about 'walkable communities' and the compelling advantages of proximity to public transport hubs, most patrons of faux town centres still drive there. There needs to be an adequate mix of parking options, including storefront (angle and parallel), structured and satellite.

6. Dead ends

Some town centre developers fail to adequately anchor both ends of main malls with the appropriate retail, entertainment or food anchors, resulting in pedestrian malls or streets that have dead ends or whole dead wings. High quality tenants at both ends of a project are as important for town centres as they are for a conventional regional shopping centre. Good town centre anchors are large format restaurants, movie theatres and general merchandise tenants.

7. Kiosks vs sight lines

Kiosks and carts may be great for getting extra economic value out of a retail property but in many instances they can be deadly for visibility and hence for the long-term appeal of an open-air shopping centre. New faux town centres are still routinely ruined by too many kiosks in pedestrian malls, even when other aspects of the project are done well.

8. Climatic extremes

Many faux town centres are built in extremely hot climates and yet accentuate the climatic problem with poor choice of construction materials, too little shade and too much width in pedestrian-only malls. This factor is particularly important in



Australia where the peak shopping season (Christmas) corresponds to the hottest time of year. A badly designed town centre will drive shoppers to the nearest competing enclosed (air conditioned) shopping centre in December, just when it is counting on heavy seasonal customer traffic.

9. Quality of residential units

Residential units, particularly those atop street-level retail need to harmonise with what is below them with respect to construction materials, design and market positioning. If the town centre retail is not upscale then the developer should reconsider having residential above retail at all. There is little charm or economic

benefit in low-end residential units along a main street.

10. Integration with adjacent areas

The worst town centre designs are just regional centres without a roof—inward-facing, sealed, yet not offering the benefit of protection from the elements. Good town centres are the retail cores for something larger than themselves and accordingly need to interact in a coherent way with their physical surrounds.

Assuming reasonable retail competition in the trade area, a faux town centre needs to score at least seven out of 10 on these attributes to have a shot at being economically

successful in the long term. Of course, lack of good competition can keep a poor shopping centre in business well past its “use by” date.

Remarkably, despite a significant amount of experience at developing and operating these kinds of projects in the US, errors that should be avoided in newer developments there are still being committed. Australian developers will hopefully dodge these pitfalls. Since Australia is in the position of following the open-air shopping centre trend rather than leading it, Australian developers should be able to learn valuable lessons from the mistakes of their counterparts abroad.

Michael Baker is an independent retail consultant. He was director of research at the New York-based International Council of Shopping Centers (ICSC) for seven years. He now carries out investment research for institutional clients, is an advisor on international retail issues at the property advisory firm Urbis and is vice-chair of ICSC's Asia-Pacific Research Group.

This is an edited version of an article that first appeared in the Urbis Retail Perspectives newsletter.

For more information, call Michael Baker on (08) 8362-0249 or email michael_baker@earthlink.net ♦

Write

my

Ad

Do you spend too much time writing ads?
Let Write My Ad do the work for you,
simply enter the property features and
the ad will be written for you in minutes!

LOG ON NOW

Meet your deadlines
every time with
www.writemyad.com.au

Simplifying real estate ad writing

**Spend
more time
selling
properties!**

**just \$20
per AD!**

RETAIL REVIEW

RETAIL LEASING LAWS HAVE COME UNDER REVIEW AT BOTH THE NATIONAL AND STATE LEVELS. BUT WILL THE REVIEWS REALLY HELP TO MAKE LEASING NEGOTIATIONS MORE EFFICIENT?







BY ROSLYN ALDERTON

THE PHRASE 'DAVID AND GOLIATH' COMES UP FREQUENTLY IN MEDIA COMMENTARY ON RETAIL LEASES – ESPECIALLY ON CURRENT AFFAIRS SHOWS AS THEY TELL A TALE OF A SMALL SHOPKEEPER UP AGAINST A MULTI-NATIONAL CORPORATION.

It's not always the case that retail tenants have less bargaining power. Take, for example, an electrical retailer from a major franchise leasing a small family-owned shop on a main street in a regional town. However, in general, commercial property owners are from larger companies and have more access to market information than shopkeepers, some of whom only speak English as a second language.

One of the aims of retail legislation has been to protect tenants from an abuse of power and to provide some ground rules for the industry.

Despite a raft of amendments to the *Retail Leasing Act 1994* at the end of 2005, retail tenancies are now under review again, mainly due to issues raised by tenants.

National review

After releasing a draft list of proposals last year, the Productivity Commission has released its final recommendations in a hefty 265-page document that looks at retail leases across Australia.

The overarching theme of the recommendations is to reduce the complex legislation governing retail tenancies and create broad national laws.

The Commission's assessment was that the case for further prescriptiveness in tenancy legislation was weak.

"Instead, an alternative approach is warranted," the Commission's report said. "Such an approach should maintain, and where practicable, improve the features of the current system that appear to be working well – dispute resolution, and information and disclosure – but should also ... move, where practicable, towards national

consistency in lease documentation, legislation and in the provision of retail tenancy information and services."

That would be good news for leasing agents in border regions, however it is up to the states and territories to decide if they want to adopt the recommendations. They would then contribute representatives to a working party that would develop the new national laws.

However the Commission also recommended that shopping centres could be exempt from some of the laws if they instead signed up to a specially-formulated Code of Conduct.

Experienced commercial property agent Malcolm Gunning said he was concerned this would give further advantages to the "big end of town".

"There is an Act in place with a mediation component in it that works," said Malcolm, who is also one of the REINSW Vice Presidents. "Why move away from something which is already working?"

State review

The NSW Government has already indicated it does not want to wind back the *Retail Leasing Act*.

In April, the NSW Government released a discussion paper with a set of proposals to help address some of the concerns of tenants. A key proposal was to appoint a Retail Advocate with the power to advocate on behalf of smaller landlords or tenants.

"The Retail Advocate would be in a position to examine the marketplace, identify any concerns with the retail leasing industry and make recommendations to the Minister on the functioning of the Act," said the discussion paper, which was compiled by the Department of State and Regional Development.

Other proposals included making registration of leases compulsory, which would make some of the lease information publicly available, "putting the landlord and the tenant in a more equal bargaining position".

REINSW's view

In response to the discussion paper, REINSW has submitted an alternate idea: retail property should have a mandatory lease form, in the same way that residential property leases are prescribed by law.

"THERE IS AN ACT IN PLACE WITH A MEDIATION COMPONENT IN IT THAT WORKS. WHY MOVE AWAY FROM SOMETHING WHICH IS ALREADY WORKING?"

"No single retail lease has evolved to date to achieve acceptance as a standard document," said CEO Tim McKibbin in REINSW's submission.

"REINSW has been provided on occasions with retail leases that are very lengthy and drafted in an extremely complex manner."

He said that lessees needed their own legal advisers to help understand the document, costing them time and money.

"If there was a standard lease, much of this work would be alleviated, achieving economies of time and money for both the landlord and tenant," he said.

A standard lease would also help to reduce disputes by providing more certainty across the industry about standard terms and conditions. It would also help tenants understand leases better because all leases would use the same type of forms.

Any special features of a particular lease could go in additional clauses, just like with residential property leases.

Rick Sombroek from the REINSW Commercial Property Chapter said a standard lease would help reduce the time it takes for parties to reach agreement.

"The process for an agent acting on behalf of a landlord at present can be a nightmare and an extremely slow process," said Rick, who is Principal of Shead First National Commercial at Chatswood.

"Normally one needs to allow approximately one month for paperwork between solicitors to be agreed to from the time the deal is negotiated.

"Often a lease contract is subject to Council approval. Some councils can be very slow.

"By the time all this has happened, the tenant might have changed their mind and the process starts again."

The NSW Government is yet to provide a final list of recommendations, so it is unclear at this stage whether REINSW's proposal will be adopted.

What is clear, however, is that the NSW Government is unlikely to adopt the Productivity Commission's recommendations to wind back the state laws.

Key recommendations from the Productivity Commission

Make legislation less prescriptive

This would involve winding back state legislation, for example laws that specify mandatory terms in leases.

Create a national reference lease

This would contain a key set of items and terminology to be included in all retail tenancy leases and in tenant and landlord disclosure statements. However it would not be prescriptive of actual lease terms and conditions, which the Commission says are "matters properly the subject of commercial negotiation".

Creation of a voluntary code of conduct for shopping centre leases

Landlords and tenants who become signatories to the code would then be exempt from the related provisions of state retail tenancy legislation.

Creation of a one-page summary of all key lease terms and conditions

Creation of a central collection point for lease information

The Commission suggests that landlords and/or tenants should be able to lodge this new one-page summary of their lease to an independent third party, so that everybody will have more access to the information.

"The NSW Government considers the legislation necessary to provide a clear framework for the conduct of parties to retail leasing matters and in limiting the number of disputes that arise," it said in the discussion paper in April.

Malcolm Gunning said the main causes for disputes were rent increases, which are matters for commercial negotiation, rather than problems relating to legislative requirements.

"In particular, landlords can have unrealistic expectations that

"NORMALLY ONE NEEDS TO ALLOW APPROXIMATELY ONE MONTH FOR PAPERWORK BETWEEN SOLICITORS TO BE AGREED TO FROM THE TIME THE DEAL IS NEGOTIATED."

commercial rents always increase," he said.

"The fact is that there is an open market review of rents. Landlords don't always like it because it opens them to the possibility that rents could drop, depending on economic conditions and other rents in the area. An open market review ensures transparency and accountability for both landlords and tenants."

The good news is that both the NSW Government and the Productivity Commission believed that the retail tenancies market is generally working well – and that is backed up by data.

Out of an estimated 60,000 retail leases in NSW, the Retail Tenancy Unit receives about 5,000 calls a year. Many of those relate to disputes that go to mediation as a compulsory first step. Only 243 disputes ended up at the Administrative Decisions Tribunal in NSW last year – or just 0.4% of all retail leases. ♦



Fast fact:

There are around 290,000 retail tenancy leases in Australia with up to 58,000 written each year. About 20% of leases are in shopping centres with the remainder in retail shopping strips and other retail formats.

26
NEW OFFICES
 in the last 18 months
 QLD . VIC . NSW



Why the grass really is greener
at Professionals

“ Professionals Service Centre supports the growth of our business with top quality marketing, training and operational resources. We are proud to be a part of the Professionals family and love the response we get from our fresh and dynamic branding. **So many services, so much support - and at one fifth of the fees that some of our friends who are with the other brands pay!** ”



Mike Carter
 Professionals Broadbeach

Professionals are a group created by the members for the members and are experiencing growth through all of Australia. **Call Stuart Watts on 0410 231 740** for a no obligation discussion as to how you too can "Belong to the Best Value Brand".

YOUNG AGENTS:

Open for Inspection

Sponsored by:



WHAT BETTER WAY TO INSPIRE YOUNG AGENTS THAN TO HEAR FROM TWO OF THE MOST SUCCESSFUL AGENTS IN THE INDUSTRY!

Believe it or not, John McGrath and Julie Ryan haven't always been the successful, recognised and skilled agents they are now. So what set them apart from their peers?

The answer is as simple as it is inspiring: sheer hard work and the power of believing in their dreams.

They shared their stories and some practical advice with more than 100 young agents at the recent Open for Inspection event at Dockside, Cockle Bay Wharf, hosted by REINSW Young Agents.

John McGrath, the founder of the McGrath Estate Agents group, encouraged the young agents to follow the law of karma, which means doing the right thing even when that is hard to do, because it will pay off in the end.

"The hardest calls to make are bad news, but they are the most important calls to make," he said.

He also spoke about the law of abundance, which means that you do not need to fear your competitors or fear sharing information because there will always be plenty of work to go around.

"This industry is about people," John said. "It's not about bricks

and mortar. That's why I have spoken so much about getting yourself right, getting your attitude right and caring for people."

Julie Ryan is an international real estate speaker and experienced agent, who inspired the audience with her story of triumph over adversity both in her family life and in a profession at a time when agents preferred to hire male salespeople.

She also provided some practical tips on marketing strategies to the different generations: which age groups prefer letters, face to face, phone calls or emails?

She encouraged the young agents to develop their own Generation Y brands and helped them to find ways to present their good points at listings presentations.

The talks were followed by networking drinks, and judging from the plentiful conversations that followed, it seems that many young agents learned from Julie's networking tips, too!

REINSW Young Agents is a network of agents under 35 years of age or with less than three years' experience. Membership is free for all individual members of REINSW.

If you would like to join, email membership@reinsw.com.au or visit www.reinsw.com.au



1



2

- 1 AND 2. JOHN MCGRATH TELLS HIS STORY TO THE YOUNG AGENTS
3. AGENTS WRITE DOWN IDEAS FOR PREPARING THEIR LISTING PRESENTATIONS
4. YOUNG AGENTS CHAIR, DAVID SKOW WITH JULIE RYAN

Come along to the next Young Agents events for inspiration and networking!

13 November
End of Year Party
Time: 7pm-10pm
Venue: The Mint,
10 Macquarie street, Sydney

19 November
Young Agents –
Open for Inspection
Time: 5.30pm-8.30pm
Venue: Customs House
1 Bond Street, Newcastle

For price information or to make a booking, visit www.reinsw.com.au



"THIS INDUSTRY IS ALL ABOUT PEOPLE. IT'S NOT ABOUT BRICKS AND MORTAR. THAT'S WHY I HAVE SPOKEN SO MUCH ABOUT... CARING FOR PEOPLE."



3



4

YOU MAKE IT, YOU KEEP EVERY SLICE OF IT.

Be up and running in your own successful real estate business in a few short weeks and **NEVER** share a cent of your commission **EVER AGAIN!**

- Retain 100% of your commission, just a low set monthly fee
- Access the strength of an established national brand, world class technology and online marketing systems aimed at saving you time and money
- Call today & discover just how easy it is to launch the next phase of your real estate career

CONTACT
PHONE
EMAIL

Lauren Haines
0401 008 396
LH@sharonbennie.com.au

sharonbennie
specialist property recruitment

ONE VISION
ONE DREAM
ONE NAME
ONE AGENCY.

REINSW
women
in real estate
real inspiration

FABULOUS FOCUSED FEARLESS

Networking is a priority for businesswomen.

Women in Real Estate provides a network for women serious about making the most of their career in real estate.

Discover the keys to success in business and network with like-minded professionals.

Go to www.reinsw.com.au to find out about upcoming Women in Real Estate events.

SPONSORED BY



www.reinsw.com.au

Focusing, competing and engaging

Sponsored by:

BRW.



IT TAKES NEW WAYS OF THINKING TO DO BUSINESS IN OUR CHANGING WORLD. AGENTS LEARNED PLENTY OF PRACTICAL ADVICE TO ADAPT AND ACHIEVE AT THE RECENT COMMERCIAL PROPERTY CONFERENCE.

Have you ever held an Olympic gold medal before? The 115 agents who attended the REINSW Commercial Property Conference have: James Tomkins passed one of his gold medals around the room as he gave an inspiring and entertaining account of the triumphs and challenges of his rowing career, which spans an amazing six Olympic Games.

Tomkins' said his proudest moment was bearing the flag as he led the Australian Olympic team into the Bird's Nest Stadium in Beijing in August.

But he has also experienced some tough times. His rowing partner slipped discs in his back just weeks out from the Sydney Olympics; his pre-race preparation in Atlanta was disrupted by a bomb scare at 5.30am on the morning of the race; and more recently in Beijing the rudder on his team's boat broke during the heat.

Despite the setbacks, James has managed to achieve extraordinary successes, including four Olympic medals (three gold and one bronze).

"THE WILDER, WHACKIER AND FUNKIER YOU ARE, THE BETTER OFF YOU WILL BE IN CONNECTING WITH GEN Y IN YOUR WORKPLACE AND YOUR CUSTOMERS AND INVESTORS GOING FORWARD."

Focusing

Tomkins said his best results were achieved when all the rowers were completely unified in their goals.

In one example he shared with the conference, the team set a goal to have their best row in the final.

"If you put a result or a time as your goal, it can be very limiting," he said.

"This notion was great because all of a sudden it brought our focus away from the result and back onto all the processes. If you work through the processes and tick all the boxes, the outcome takes care of itself."

He felt his best ever race was in Athens, in a coxless pair with Drew Ginn. The two rowers were so in sync with each other that on the day of the final, they didn't even have a single conversation until



OLYMPIAN JAMES TOMKINS WITH COMMERCIAL PROPERTY AGENT KYMBAL DUNNE



after they crossed the finish line, winning gold.

"If you have two people trying to create an environment where they want the other person to go as well as they can and it's reciprocated, then that's the ultimate team," Tomkins said.

Competing

Other speakers at the conference helped agents to compete in the current market climate by providing insight into economic conditions and legal risks.

Tony Pearson, Deputy Chief Economist, ANZ Bank, outlined the flow-on impact from the credit crisis in the United States, where financial institutions have already lost more than \$US500 billion.

Peter Knight, Chief Executive, Knight Partners, gave advice on how to develop your marketing budget in order to get your finance manager to say 'yes'.

And Torq Murray from TressCox warned the agents about

common mistakes and how to avoid them.

Engaging

Agents also learned practical ways to engage with clients, as business shifts online and Generation Y develops more buying power.

Oliver Mistry, Head of Online Marketing at Foxtel, explained the power of the internet as a marketing tool to connect with consumers.

And Anders Sorman-Nilsson from Thinqe encouraged agents to evolve from the traditional models of running a business to become more creative, emotional and interactive.

"Just like you upgrade your computer software every few months, so you need to keep upgrading the way you think and deal with change," he said.

"Gen Y is the latest in thinking software in the world. The wilder, whackier and funkier you are, the better off you will be in connecting with Gen Y in your workplace and your customers and investors going forward." ♦

realestateworld.com.au – a new era

THE FIRST INDUSTRY OWNED AND DEVELOPED WEBSITE AND PROPERTY DATA INFORMATION SOLUTION HAS GONE THROUGH A COMPLETE MAKEOVER WITH THE AIM OF SATISFYING THE EVER-INCREASING DEMANDS FOR PROPERTY INFORMATION AND STATISTICS BY A NEW BREED OF REAL ESTATE CONSUMERS AND AGENTS.

REINSW recently announced its decision to transfer its 50% stake in realestateworld.com.au Pty Ltd to fellow shareholder, Estate Agents Co-operative Limited. realestateworld.com.au is now a subsidiary of EAC, ensuring continued industry ownership, however it will operate separately from the EAC Board of Directors. A newly-formed six member realestateworld.com.au board of directors was announced in August 2008 and consists of real estate professionals well known for their experience in the industry and their individual abilities in successfully operating their businesses.

The board is comprised of: Rick Wraight (Chairman), Paul Deegan, Ted Hanson, John F Sercombe, John Russell & David Crombie.

With the new board in place, several new and exciting initiatives can now be announced to the market in relation to realestateworld.com.au, including the restructure and review of the current package, which will be \$29.95 per month for all REINSW and EAC members with \$39.95 charged for non members. The \$29.95 rate will also be applicable for all realestateworld.com.au publication advertisers.

A complete rebuild of the realestateworld.com.au website to reflect research on a need to better service more educated real estate consumers that are no longer satisfied with just the standard listing information provided on some real estate web sites is in the final stages and due for release in October 2008. Some of the new features on the new look site are:

"WE ARE CURRENTLY WORKING WITH ALL THE MAJOR AGGREGATORS ON SUPPLYING THEIR CUSTOMERS' LISTINGS TO THE SITE AND CONTACTING OTHERS IN RELATION TO THE XML FEED."

- A crisp, clean and consumer friendly home page modelled on some of the most successful portals throughout the world.
- NSW property information suburb trends that detail and automatically update the top and bottom 10 NSW suburbs in relation to median sales and properties sold.
- Ability to send or link with all the major social networking sites.
- Latest Property Listing email alerts.
- Open House Inspection email alerts.
- Access to all realestateworld.com.au publications online.
- A list of automatically daily updated "Most Viewed Suburbs" on the site.
- A choice of listing views including photo and map view for easier navigation.
- A complete integration with the latest Google maps including Street View.
- The latest in real time property sales data and suburb information data on the market.
- Community – which provides blogs and open forums to consumers and agents to communicate online.

Agents not currently using the new Red Square Listing Management tool are now able to directly upload to the site using several supporting aggregators. At the time of writing this article, EAC has secured



several networks that recognise the importance of an industry site and have completed the XML feed testing phase and are developing their services to facilitate a direct upload to realestateworld.com.au. These include:

- Hub Online
- Port Plus
- My Desktop
- Iproperty
- inHabit

"Real Estate Property Listing aggregators are now recognising the need to work with realestateworld.com.au mainly due to the demand of the industry itself," commented Damien McDonald, Sales & Marketing Manager – EAC.

"We are currently working with all the major aggregators on supplying their customers' listings to the site and contacting others in relation to the XML feed.

"It's amazing the number of realestateworld.com.au listing agents that have also individually contacted their suppliers to allow a direct feed that will soon completely alleviate the need to double enter their office's listings. With over 20,000 listings currently on the site and increasing on a daily basis, I cannot see 60,000 listings being out of the question with the feeds in place."

He said realestateworld.com.au was rapidly gaining the reputation of the fastest growing real estate website in NSW with over 800 agents listing to the site experiencing a 7% increase in unique visitors as well as a

20% increase in pages viewed across the site in the last three months. Above the line consumer advertising initiatives have been constantly running in key realestateworld.com.au publication distribution areas via local radio and TV broadcasters including a new 30 second television commercial that is being aired in the Illawarra region to support the realestateworld.com.au flagship publication in the area.

You can view this TVC by going to You Tube and searching realestateworld.com.au

There is also a substantial budget dedicated to increasing the visibility of the site to consumers through Google AdWords that will ensure the site will appear high on the list of Google sponsored sites.

"The level of consumer traffic continues to grow on a monthly basis to the realestateworld.com.au site, and we are now getting reports from agents in some areas that the level of enquiry from realestateworld.com.au is now similar or quickly catching in comparison to some of the other large portals," commented David Crombie, CEO – EAC and REW Director.

"While this is a great achievement, at the end of the day realestateworld.com.au is still about the collection and supply of real time sales data back to the industry."

For more information on becoming a part of the realestateworld.com.au industry initiative, contact the realestateworld.com.au team on 1300 137 161, or email info@realestateworld.com.au ♦

Engaging your buyers



BY GARY BATEMAN AND TREVOR REID

A NEW WEB TOOL CAN ASSIST AGENTS TO CUT THROUGH THE CLUTTER OF PROPERTIES FOR SALE ON THE INTERNET BY CAPTURING THE BUYERS' ATTENTION FOR LONGER.

Could you imagine a potential purchaser spending up to 10 minutes looking at just the one ad for your property?

With the emergence of property portals over the past few years, online advertising is now critical to marketing properties. More than 75% of buyers use the internet to research properties and in excess of 7.5 million unique browsers view properties advertised on the web in Australia each month.

The biggest challenge with internet advertising is making sure that your agency's properties stand out from the crowd. The usual strategy for agents has been to pay for a prime position on a property portal. But even if you are at the top of the page, and even if you can attract attention with a clever headline or gorgeous picture, how can you hold the potential purchaser's attention for more than a few seconds?

Some agents are trying to engage purchasers through the use of interactive tools such as blogs, virtual tours or slideshows, however for many agents this has been too technically challenging or too expensive.

A new web tool called YouVu has overcome these hurdles. From as little as \$40 per property, agents can easily create an interactive experience for buyers looking at properties online.

All buyers need to do is click on a link in the ad, or perhaps on your website or in an email or electronic

newsletter. The link takes them to a separate page. At first glance it looks similar to ordinary online ads – with a few photos of the properties, some information about them and possibly a virtual tour.

What makes YouVu different is that you can hover the cursor on highlighted points on each photo (called Emotion Icons) to see another picture or new information. Buyers can click on rooms that interest them – perhaps the bathroom, dining room or hallway – and be taken to new pictures, new information and slideshows.

The Emotion Icons allow users to view details up close, see through walls, change perspectives, peep

around corners, open closed doors, peer through windows, inspect other rooms and more, simply by moving the cursor over the Emotion Icon.

This creates an interactive experience for the buyers that can engage them for as long as 10 minutes! That's 10 minutes of their time spent learning about the property and forming a connection with it – and a lot longer than they usually spend looking at property ads.

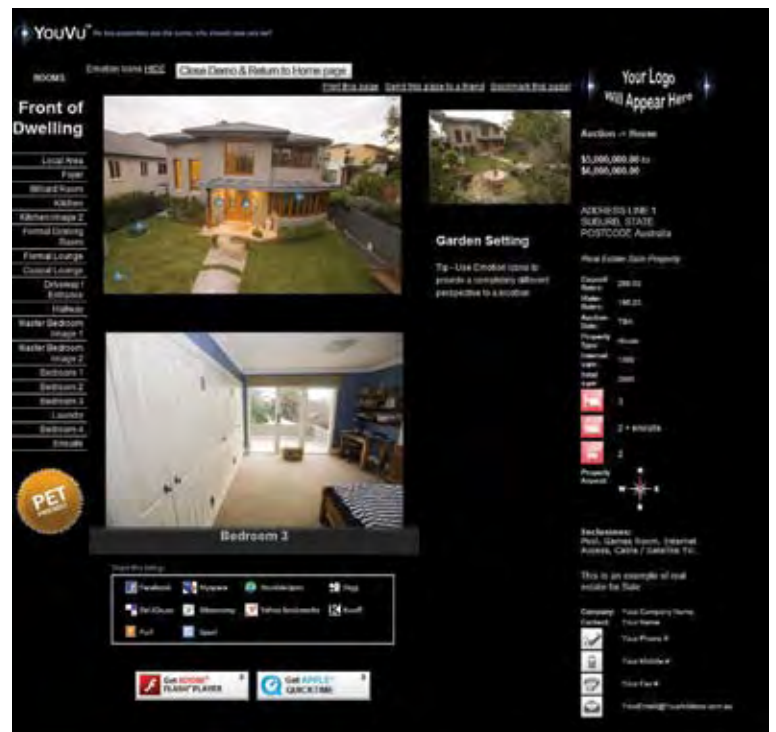
You don't have to be a technology whiz to create the virtual showroom. All agents have to do is upload the pictures they want and follow step-by-step instructions to add the Emotion Icons and the text. If

YOU CAN HOVER THE CURSOR ON HIGHLIGHTED POINTS ON EACH PHOTO (CALLED EMOTION ICONS) TO SEE ANOTHER PICTURE OR NEW INFORMATION.

you like, you can also add, videos, sound, music or even Google's latest invention, Street View.

For agents looking to make their online property ads stand out, we would urge them to spend just a couple of minutes trying out a demo at www.youvu.com.au and see for themselves how easy and effective this new marketing tool can be.

Gary Bateman and Trevor Reid are Directors of YouVu Pty Ltd. For more information, visit www.YouVu.com.au ♦



LEFT: THE EASY, STEP BY STEP PROCESS TO ADD EMOTION ICONS
RIGHT: A PROPERTY ON YOUVU, WITH EMOTION ICONS ON THE PICTURE



TOD ANDERSON
Director of Business
and Industrial Space
Knight Frank

Industrious worker

BETTER HOURS, MORE VARIETY AND GETTING TO WALK THROUGH NOISY FACTORIES ARE JUST SOME OF THE REASONS WHY TOD ANDERSON PREFERS INDUSTRIAL TO RESIDENTIAL PROPERTY – EVEN IF HE HAS TO WEAR A HAIR NET OCCASIONALLY!

Residential sales agents might start to feel despondent if a property hasn't sold for a few months. In industrial property, a deal could take years to close.

"At a more senior level, you probably find that the gestation period for a transaction could be one or two years," said Tod Anderson, Director of Business and Industrial Space at Knight Frank. "I have had a deal that took three years."

Yet residential sales agents could only dream of a closing a deal worth \$80 million – the highest that Tod has achieved.

"For an experienced operator, they can consistently do deals that are

between \$1 million and \$10 million as far as sales," Tod said. "They can do leases that might be 500m² to 5,000m²."

Tod is one of those experienced operators. At age 33, he has already worked in the sector for 15 years.

"Back in high school, I really wanted to be a real estate agent," he said. "When you are 18, all you think about is residential real estate. You don't necessarily see the scope out there."

"I ended up enrolling in a valuation course at TAFE. I just thought that could help me get into real estate. One of the TAFE teachers mentioned there was a company looking for staff and he gave me the details. I went for the interview and got the job."

The company was a small, private industrial property firm, which gave Tod an early opportunity for hands

"With industrial, one of the keys is market intelligence and how to find it. In the early days, I spent a long time researching."

on experience of industrial sales and leasing.

"I spent a lot of time just learning about the different styles of buildings and construction and types of industrial property. With industrial, one of the keys is market intelligence and how to find it. In the early days, I spent a long time researching."

He has since worked for Colliers International and CB Richard Ellis before his current role at Knight Frank. While he has considered working for a property developer or a property trust, Tod intends to remain in industrial, at least for now, due to the level of experience he has

"It's the guys that stay in the industry for longer than two or three years that really have that success. Once you are successful, it will be worth it."

attained in a sector where it can take several years to find your feet.

"You have to think about two years in advance," he said.

"Sometimes it can be technically demanding. One of the most complicated and difficult deals [I have achieved] would be the sale of a parcel of land that had flora and fauna issues that had to be addressed. It had filling issues for the land, which was at different levels. At the time we started marketing, there was no access road constructed. The land was impacted by a zoning change and the implementation of a Section 94 plan. It was a complex negotiation to structure a contract that dealt with all of the possible scenarios. That took three years to do."

While industrial property can be complicated, Tod loves the variety.



One day he might be walking through a factory that manufactures canned food, the next he will be talking to an exporting firm that needs warehouse space for freight containers.

"You get to understand a high level of detail about a huge range of industries," Tod said. "You learn how things get onto the supermarket shelves. I hear stories about how people get into the businesses they are in, how they might have invented something.

"You get to walk through factories and see all sorts of things being bottled. I often wonder 'how do all those bottles of cordial or all those cans of food get eaten?' That's really interesting, day to day. We are not trapped in an office sitting at a computer screen.

"The most embarrassing situation is when you have to wear a hair net and

ear plugs, and the little mittens you put on your shoes. That's always a good laugh!"

He once dealt with a company that required warehousing of dangerous, explosive chemicals.

"All the electricals had to be ripped out and they had to put blast walls outside the roller shutters," he said.

As well as the variety, Tod finds the working hours suit his lifestyle. While there might be long hours on a Monday to Friday, he gets weekends off – unlike most residential sales agents.

"The biggest challenge is the highs and lows of securing listings and deals," he said.

"The worst part is that some of the things you do don't always come off

as a success. Picking yourself back up after a deal might have collapsed is probably the stuff that you wish wasn't there, but that's part of life.

"You get to understand a high level of detail about a huge range of industries. You learn how things get onto the supermarket shelves."

"The best part is when you close the deal – that instant when you know the deal is completely agreed."

He encouraged other young people to consider a career in industrial property, but with some words of advice.

"They need to give it a couple of years," he said. "You are dealing in often large sums of money or large brand names or complicated companies. With some young people, they might tend to think if they haven't had success within 12 months they might not be good at it, that maybe there are better opportunities in other parts of the real estate industry. It's the guys that stay in the industry for longer than two or three years that really have that success. Once you are successful, it will be worth it." ♦

GST on forfeited deposits



BY JODIE MASSON AND STEVE MACKAY

GST IS ONLY PAYABLE ON FORFEITED DEPOSITS PAID UNDER A CONTRACT WHICH, HAD IT COMPLETED, WOULD HAVE REPRESENTED A TAXABLE SUPPLY.

COMMERCIAL AGENTS ARE BEING ALERTED TO A RECENT HIGH COURT DECISION WHICH FOUND THAT GST IS PAYABLE ON FORFEITED DEPOSITS IN CERTAIN CIRCUMSTANCES.

The High Court of Australia in *Reliance Carpet Co Pty Ltd v Commissioner of Taxation* has recently held that GST is payable on deposits forfeited to the vendor under a contract for sale of land in certain circumstances.

The High Court decision overturns a previous Federal Court decision which stated that GST was not payable on forfeited deposits.

Facts

The vendor and purchaser had exchanged contracts for the sale and purchase of land in Camberwell, Victoria for \$2,975,000 plus GST in February 2002. A deposit of \$297,500 (10% of the GST exclusive amount) was paid on exchange.

The purchaser did not complete the contract by the contract completion date and the vendor (after issuing a notice to complete) terminated the contract on 26 July 2003 and retained the deposit paid by the purchaser. On 9 November 2004 the ATO issued the vendor with an assessment requiring GST to be paid by the vendor on the forfeited deposit. The vendor disputed the ATO assessment in the Administrative Appeals Tribunal and the case was appealed all the way to the High Court.

A 'supply'?

For GST to be payable, there needs to be (amongst other

things) a supply for consideration. GST is payable on certain land sale contracts because there is a supply of real property from a vendor to a purchaser for a purchase price.

In this case, the Federal Court initially decided that GST was not payable on the forfeited deposit because there was no "supply" of anything from the vendor to the purchaser. However, the High Court disagreed and held that under section 99-5 of the main GST legislation the deposit was a supply but only if the deposit was:

- forfeited because of a failure to perform the obligations; or
- applied as all or part of the consideration for the supply.

In this case the deposit was forfeited due to a failure by the purchaser to perform its obligations. Therefore, whilst the deposit was not consideration before the forfeiture, it was consideration as soon as the forfeiture occurred.

Is GST payable on all forfeited deposits?

Importantly, the case decided that GST is not payable on all forfeited deposits. GST is only payable on forfeited deposits paid

under a contract which, had it completed, would have represented a taxable supply.

For example, where the contract involves existing residential premises where the vendor is not registered for GST purposes (and is not required to be registered), GST would not be payable on the forfeited deposit as GST would not have been payable on the supply of the property had the contract been completed.

Accordingly, the High Court decision will have a far greater impact in the commercial space than it will in the residential arena.

Exclusive or inclusive?

Unfortunately, contracts on which GST is payable (usually commercial contracts) are often drafted on a GST-exclusive basis. This is because this reflects the way that the parties see the 'real net price' when all parties are registered for GST and are entitled to input tax credits for the GST they pay.

Further, as GST is not normally payable on the transaction until settlement (both by the vendor to the ATO and by the purchaser to the vendor) vendors have tended to be happy with a GST-exclusive deposit.

For example, let's say ABC Pty Ltd (a property developer) is selling vacant industrial land to XYZ Pty Ltd for \$1,000,000 plus GST. The contract contains a GST special condition providing that the purchaser must pay any GST on any supplies made under the contract to the vendor on completion (i.e. a broad GST recovery clause). The following would be the 'usual' course of events:

Exchange: purchaser pays deposit of \$100,000.

Completion: purchaser pays balance of \$900,000 and GST of \$100,000 in exchange for a tax invoice.

After completion: ABC Pty Ltd remits \$100,000 to the ATO. XYZ Pty Ltd seeks an input tax credit from the ATO of \$100,000.

This is fine if the contract proceeds to completion.

However, if XYZ Pty Ltd defaults under the contract (for example, if it can't obtain finance), the contract is terminated and under the terms of the contract ABC Pty Ltd is entitled to keep the \$100,000 deposit, then ABC Pty Ltd must then pay \$10,000 to the ATO for the GST on the forfeited deposit, issue a tax invoice to the defaulting purchaser (as it is obliged to do under the GST legislation) and XYZ Pty Ltd is entitled to receive an input tax credit of \$10,000.

This, of course, leaves ABC Pty Ltd with only \$90,000 of the deposit.

Whilst the GST-recovery clause requires XYZ Pty Ltd to pay to ABC Pty Ltd the GST on the forfeited deposit, in a practical sense where a purchaser has been unable to complete, it is unlikely that the purchaser will be willing (and in some situations, able) to come up with an additional \$10,000 at the time of the default.

What should we do?

In contracts where GST would be payable on the sale of the property,

it would be wise for the vendor to obtain a deposit which is 10% of the GST-inclusive price (in other words 11% of the GST-exclusive price). This will ensure that the vendor has retained sufficient money to protect it if it has to remit GST to the ATO.

Agents should ensure that any heads of agreement and sales advices they prepare provide for a GST-inclusive deposit so that the resulting contract is appropriately drafted.

Accordingly, in the scenario above we recommend the following:

Exchange: purchaser pays deposit of \$110,000 (being 10% of the GST-inclusive price).

Completion: purchaser pays the balance of the price of \$900,000 and the balance of GST of \$90,000 in exchange for a tax invoice.

After completion: ABC Pty Ltd remits \$100,000 to the ATO. XYZ Pty Ltd seeks an input tax credit from the ATO of \$100,000.

Under the above scenario, if XYZ Pty Ltd defaults on completion, ABC Pty Ltd will be in a position to pay \$10,000 to the ATO for its GST liability on the forfeited deposit and will be left with \$100,000 to compensate it for the expenses it has incurred (e.g. agent's fees, legal fees, bank interest etc).

Other complications

GST on forfeited deposits is even more tricky in its application to contracts which apply the margin scheme. If the margin scheme is used and the contract completes, GST is only payable on the sale price "margin" (which may be a fairly small amount).

However, if a deposit is forfeited under a margin scheme contract, a full 10% of the value of the taxable supply (i.e. the deposit) is payable as GST.

Accordingly, under margin scheme contracts, it would be wise not to just obtain an amount equal to 10% of the GST-inclusive price, but to instead obtain a deposit equal to 10% of the GST-exclusive price plus an amount equal to the GST payable on any forfeited deposit (i.e. the deposit should be 11% of the GST-exclusive price).

Penalties

It is important to note that a deposit which exceeds 10% may be considered to be a penalty at law. If a deposit is a penalty and not genuine security, then it may be repayable to the purchaser. It may also trigger an earlier GST liability.

Our view is that a deposit is not a penalty if a vendor is merely requiring an appropriate amount to be held as security to sufficiently compensate it for the costs it would incur if the contract does not complete. However, vendors should always

THE HIGH COURT DECISION WILL HAVE A FAR GREATER IMPACT IN THE COMMERCIAL SPACE THAN IT WILL IN THE RESIDENTIAL ARENA.

be careful when requesting deposits in excess of 10%.

Conclusion

Given this recent High Court case, agents should think carefully about the amount of the deposit required given the GST circumstances of the sale, to ensure that their principals are adequately compensated if the contract fails to complete and the principal is entitled to the forfeited deposit.

Jodie Masson and Steve Mackay are Partners in the Property, Development & Construction team at Middletons. For more information, call (02) 9513 2300. ♦

OSL – Real Estate Software

"at the heart of your business network"

www.oslsoftware.com



Real time Listing information immediately available to all of your offices

- Information is entered once and available to all your agents and web sites – *no multiple entry of information*
- Contact (CRM) activity is recorded from Appraisal through to Listing, Promotion (VPA) and the Sales process. OSL systems are set up to optimise your office workflow
- providing information solutions for over 10 years
- implemented in over 1,000 offices across Australia and New Zealand
- more than 200 real estate web sites with full reference number searching, using the latest search and management tools

Product range



Contact your local representative
 email sales@oslsoftware.com
 phone 0800 11 55 15

licensee-in-charge

protect your business

REINSW Compliance Review Service

Take advantage of the opportunity for you and your staff to get practical in-office advice to make sure you and your business are protected.

Ensure you get paid

Protect your fees and commission with compliant agency agreements.

Avoid legal fines

Prevent fines by complying with relevant legislation.

Minimise your risk

Receive on-the-spot recommendations to immediately rectify problem areas.

PROTECT YOUR BUSINESS BY IMPLEMENTING THIS IMPORTANT RISK MANAGEMENT TOOL

The REINSW Compliance Review Service is specifically designed to highlight problems in an agency's procedures which may result in lost commission or leave an agency open to fines from the Office of Fair Trading for non-compliance with applicable legislation.

An REINSW employee with extensive experience in agency practice will visit your office and provide immediate advice on compliance weaknesses and areas of risk.

You will also receive a written report that is concise, easy-to-read, easy-to-implement and customised for your agency.

To discuss costs and to book your Compliance Review phone (02) 9264 2343 or email compliance@reinsw.com.au

This personalised service is available to REINSW Member Firms only and comes with a money back guarantee.

Areas examined

- Licences and Certificates of Registration
- Continuing Professional Development
- OFT Supervision Guidelines
- Banking practices and trust accounts
- Estimated selling price
- Advertising and promotional material
- Conflict of interest and duty to disclose
- Financial and investment advice
- Referrals to service providers
- Complaints handling procedures
- Staff recruitment
- Reports on samples of your property management files
- Reports on samples of your sales files
- Privacy policy
- Occupational Health and Safety

We'll contact you! Complete and fax back to (02) 9267 9190

Name	<input type="text"/>		
Company	<input type="text"/>		
Phone	<input type="text"/>	Email	<input type="text"/>

Chapter news

Chapter membership is now complimentary for individual members. To find out more or to join a Chapter, call (02) 9264 2343 or email membership@reinsw.com.au

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
Property Management: Lyn Kimball
Residential Sales: Kathryn Hall
Rural: Phil Rourke
Valuers: Colin Rooke
Young Agents: Dave Skow

DIVISIONAL

CHAIRPEOPLE

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

THE YOUNG PROFESSIONALS BALL AUCTIONED A DRIVE IN THIS ASTON MARTIN TO RAISE MONEY FOR THE FRED HOLLOWES FOUNDATION



YOUNG AGENTS:

Auction stars

We know that there is exceptional talent among the members of the REINSW Young Agents Chapter, and now that is becoming known among other professions!

"IT GOES WITHOUT SAYING, BUT WE WOULD BE DELIGHTED TO WORK WITH THE YOUNG AGENTS AGAIN IN THE FUTURE. THANK YOU!"

REINSW members Ben Chaston and Eddy Piddington became celebrity auctioneers when they and other Young Agents attended the Young Professionals Ball on Saturday, September 6 at the Hilton Sydney.

Ben auctioned items for The Fred Hollows Foundation, raising \$2,150,

while Eddy auctioned a drive in an Aston Martin (thanks to Trivett luxury cars), raising \$700.

"Both auctioneers were fantastic – they brought the room to life, captivated the audience and achieved an excellent result for a very worthwhile cause," said Marina Yastreboff from the NSW Young Lawyers, which hosted the event.

"The professionalism and the support of all Young Agents in the room assisting with the auction was remarked on, not just by members of the Young Lawyer executive, but also from the sponsors for the evening.

"It goes without saying, but we would be delighted to work with the Young Agents again in the future. Thank you!"

The Young Agents end of year party will be held on November 13 at The Mint, 10 Macquarie Street, Sydney. Visit www.reinsw.com.au for more information, or join the Facebook group for REINSW Young Agents to receive regular updates.

Upcoming forums

TO FIND PRICE INFORMATION FOR THE FORUMS OR TO MAKE A BOOKING, VISIT WWW.REINSW.COM.AU AND CLICK ON 'EVENTS'.

22 October

Property Management forum

Time: 1pm-3pm

Venue: The Armidale Ex-Services Club, Dumaresq Street, Armidale

Speakers: Michelle McLean and Miles Felstead

13 November

Young Agents – End of Year party

Time: 7pm-10pm

Venue: The Mint

10 Macquarie Street, Sydney

18 November

Buyers Agents forum

Time: 3pm-5pm

Venue: REINSW Training Centre Level 2, 74-78 Wentworth Avenue Sydney CBD

Speakers: TBC

19 November

Young Agents –

Open for Inspection

Time: 5.30pm-8.30pm

Venue: Customs House 1 Bond Street, Newcastle

Speakers: TBC

26 November

Holiday and Short Term Rentals forum

Time: 11am-1pm

Venue: REINSW Training Centre Level 2, 74-78 Wentworth Avenue Sydney CBD

Speakers: Justin Butterworth and Rick Wraight

STRATA MANAGEMENT:

Staying up to date

More than 35 strata managers attended a forum hosted by REINSW on September 12 to discuss the latest developments in strata law.

A number of new laws commenced on August 1 this year, while the NSW Office of Fair Trading is currently reviewing the laws governing hanging washing on balconies.

Attendees were able to ask questions to two of the most distinguished strata lawyers: Alex Ilkin, author of the book *NSW Strata and Community Schemes Management and Law*, and Ian McKnight, Special Counsel at Makinson and d'Apice Lawyers.

RESIDENTIAL SALES: How to handle a mortgagee sale



BY CRAIG HESSE

WHAT ARE THE CORRECT PROCEDURES TO FOLLOW WHEN SELLING A HOME THAT HAS BEEN REPOSSESSED?

Home repossessions are on the increase as home owners struggle to maintain increased monthly repayments on top of the rising costs of living, while house prices in many regions have fallen. When home owners are struggling with repayments, they need to take action before the matter is taken out of their hands. They should notify their lender of the situation and consider whether it is necessary to sell the home.

In most instances where a real estate agent is appointed, the home owner will discuss their need to sell quickly in order to avoid a repossession action. The real estate agent will research the property and must provide an

accurate appraisal to assist the client whilst taking into account the vendor's circumstances. The lender will be notified. The lender may request evidence that the home is listed for sale, such as a copy of the agency agreement and any other relevant correspondence. From this point the agent will closely liaise with their client and, with their permission, update the lender on the sales activity.

Where the home owner is unable to make the repayments on their home loan, the lender may be willing to discuss revised repayment options with the home owner. However, if no agreement is reached, or the home owner continues to default, then the lender will likely commence action by issuing a default notice.



It is important that the agent knows when this happens as the home owner only has a one-month period in which to comply with the default notice before the lender can commence legal proceedings and, ultimately, eviction proceedings.

Once eviction has occurred, the lender will immediately change the locks to secure the premises and, if using the same agent, will arrange the new documentation needed (such as an agency agreement) and provide the agent with a new set of keys. Where there is no agent appointed, the

lender will usually select one or more agents from a panel of real estate agents on their database, or select an appropriate local agent who operates in the vicinity of the property.

Generally, you will be asked by the lender to provide advice, including giving recommendations for the conduct of the sale of the property; a marketing program (including recommendations for advertising); details of any necessary work required to prepare the property for sale (such as painting, cleaning etc) and advice as to any other potential

How tenants are affected

A property manager recently called the REINSW Member Helpline in distress. She had just handed the keys of a rental property to two new tenants. The young women opened the door to their unit, put some of their stuff inside and decided to go out to lunch. When they came back, their keys no longer worked in the lock. The property had been repossessed and the locks changed – within just two hours of signing their tenancy agreement!

Newspapers have reported a number of stories of tenants virtually

kicked out of their rental homes, with almost no notice, due to a landlord defaulting on their mortgage, with few legal protections available.

This situation appears likely to change in the near future, however. A raft of proposed changes to the *Residential Tenancies Act* (about which REINSW lodged a written submission last December) are aimed at achieving a more equitable outcome for tenants.

The proposed reforms are that:

- tenants be entitled to at least 30 days

notice if a mortgagee decides to obtain vacant possession, either during or after a fixed term tenancy.

- where a fixed term tenancy is ended early by a mortgagee, the tenant be able to withhold 2 weeks rent, or a higher amount as agreed, to offset relocation expenses, and a process put in place to allow the bond to be released.

While REINSW does not oppose these suggestions, there are some cases where the tenant may have contributed to the landlord's inability to address their mortgage obligations, for example, by failure to pay rent,

and REINSW submitted that it would be unjust to reward the tenant with further rent-free periods in such circumstances.

In respect of the bond, REINSW submitted that there would need to be time allowed after the tenant has vacated the premises for the usual inspection to be conducted prior to the release of all, or part of, the bond.

These proposals have not yet become law, and the outcome of the review of the *Residential Tenancies Act* remains to be seen.



THE LENDER AND THE AGENT SHOULD ENSURE THAT THEY HAVE "TESTED THE MARKET". THIS WOULD INVOLVE ADEQUATE ADVERTISING, DETAILED RESPONSES TO GENUINE ENQUIRIES ABOUT THE PROPERTY, AND PREFERABLY, A SALE BY AUCTION.

problems with the sale or marketing of the property. It is also standard industry practice for the lender to organise for at least one formal valuation to be prepared.

Whilst the lender has no duty to enforce its security promptly, or at all, they must ensure that they

make an "independent bargain". This is in keeping with the aim of the legislation, which seeks to protect the owner's interest by ensuring that the property is sold at market price and at arm's length. Therefore, the lender and the agent should ensure that they have "tested the market". This would involve adequate advertising, detailed responses to genuine enquiries about the property, and preferably, a sale by auction.

Sale by auction is favored by lenders as it is considered to be the method most likely to ensure that the market value is established and obtained.

If a sale by auction is selected, the lender will require that an appropriate and adequate marketing campaign be conducted so that in the end, the best possible price on the day is achieved. While the lender and the agent are not expected to conduct the most lavish and widespread campaign possible, advertising is seen as an essential step in the process of generating interest and competition so that the best price can be obtained. Therefore, sufficient advertising should be conducted taking into account the circumstances of the sale, the property and the usual

The moving market has evolved.

Direct Connect is the nation's number one moving market company. We arrange fast, easy and convenient utility connections for tenants, vendors and purchasers and offer great incentives to Real Estate Agents and Property Managers for referring your clients.

Our services are completely free for both you and your clients. Our offer to our members includes these additional industry leading benefits:

1

Your own pre-paid VISA debit card for the payment of commissions.

2

A guarantee to pay the highest commissions and rewards to agents and Property Managers.

3

The industry's only service guarantee for Agents and Movers.

4

Your own dedicated Account Manager available to you 7 days a week as your point of contact at Direct Connect.

Take advantage of the industry evolution today!

Register online at: www.agents.directconnect.com.au or call 1300 664 715 and we'll contact you to discuss joining Direct Connect.

Direct  **Connect**

practice for the locality and type of property. As a guideline, the following should be included in all advertising campaigns:

- print advertisements – newspapers, specialised real estate magazines and agents' brochures;
- internet advertisements;
- real estate agent's window advertisements;
- boards;
- handbills or flyers;
- contact by the agent with potential purchasers known to him/her; and
- holding open for inspections – whether open to the public or by arrangement.

There are some key points to remember when handling the mortgagee's sale:

- Ask specific questions to establish what the lender expects from your agency.

- Make sure your agency agreement is completed, executed and served correctly. You also have to specify how any expenses incurred will be reimbursed and a specific time frame. If extra instructions given by the lender fall outside the authority of your agreement, get the extra instructions in writing.
- Ensure that the person signing your agency agreement is duly authorised by the lender.
- Give plenty of feedback to the lender and keep clear written records. As always, you are more likely to get repeat business by providing outstanding service to the client.
- Avoid quoting a potential sale price or suggesting a range, e.g. "expected bidding from ..."
- Don't give any future representations on capital gain or expected returns unless you are licensed to give financial advice.
- Be wary of promoting the property as "under instructions from

mortgagee in possession". This doesn't have to be disclosed and, while there appears to be no law as to whether or not this is an appropriate form of advertising, it is important to recognise that such an advertisement may suggest that it will be sold for a cheaper price or, that it is, in effect, a forced sale. Advertising in this way may not be

viewed as conducive to obtaining the true market price.

In conclusion, the amount of mortgagee sales occurring in the future will depend on the economic conditions at the time as well as variable factors such as interest rates. In order to satisfy their duties as mortgagees, and to maintain a favourable image with the public, lenders generally like to keep the process at arm's length and appoint a reputable real estate agent to achieve the best result for all parties. Therefore, as lenders tend not to advertise their upcoming mortgagee in possession auctions, the most effective way of ensuring repeat business is to provide your usual thorough and professional agency services.

Craig Hesse is an experienced real estate agent and a full-time trainer with REINSW Education & Training.

For more information about how to handle a mortgagee sale, call the REINSW Member Helpline on (02) 9264 2343 or email helpline@reinsw.com.au ♦

AS LENDERS TEND NOT TO ADVERTISE THEIR UPCOMING MORTGAGEE IN POSSESSION AUCTIONS, THE MOST EFFECTIVE WAY OF ENSURING REPEAT BUSINESS IS TO PROVIDE THOROUGH AND PROFESSIONAL AGENCY SERVICES.

CAN YOU OFFER INSURANCE TO YOUR CLIENTS? YES YOU CAN!

As a property manager, you look after your landlord clients' investment properties, so it makes sense that you assist them with insurance to protect that investment.

Becoming an Aon distributor enables you to provide insurance to your clients under Aon's Financial Services Licence.

We provide our distributors with step by step guidelines on assisting your clients with their insurance needs.

Find out more from Aon today

CALL **1300 734 274**

EMAIL nswre@aon.com.au

www.aon.com.au/realestate

AON RISK SERVICES

Property investment analysis

LEARN ABOUT THE AUSTRALIAN ECONOMIC ENVIRONMENT AND FACTORS IMPACTING ON PROPERTY INVESTMENT.

As a property professional it is imperative you arm yourself with as many tools as possible, including the financial knowledge that will allow you to explain in plain English everything your client needs to know before they consider investing in property.

Demystifying the process of buying an investment property for your client will not only result in repeat and referral business, but set you apart from the majority of your competitors – an advantage that in this day and age is certainly a major point of difference.

Course: Property investment analysis

Dates: Newcastle – 14 October
Wollongong – 7 November
Sydney – 20 November

Time: 9.00am – 4.00pm

Cost: \$199 Member
\$245 Non member

Visit www.reinsw.com.au/training or call (02) 9211 8707 for more details or to make a booking.

The cutting edge of real technology 2.0

The thought of introducing things like wiki's and blogs into your office might sound like an unnecessary novelty that will simply distract you or your staff from the business of selling – or it might leave you overwhelmed, wondering how you could implement cutting edge technology without a dedicated IT team.

If that is the case, then this workshop is for you!

Course: The cutting edge of real technology 2.0

Dates: 28 October and 27 November

Time: 9.00am – 1.00pm

Venue: REINSW Training Centre, Level 2, 74-78 Wentworth Avenue, Sydney CBD

Cost: \$199 Member
\$245 Non member

Visit www.reinsw.com.au/training or call (02) 9211 8707 for more details or to make a booking.

Training news

For more information or to book a course, call (02) 9211 8707, email training@reinsw.com.au or visit www.reinsw.com.au.



GET A HEAD START TO YOUR CAREER BY JOINING YOUR PROFESSIONAL ASSOCIATION AND STAY IN TOUCH WITH ALL THE LATEST INDUSTRY INFORMATION.

A head start

BY JAMIE HAMMOND

ENSURE YOUR YOUNG STAFF GET THE BEST START TO THEIR CAREER IN REAL ESTATE.

It's getting near the end of the school year, students are finishing their School Certificate or HSC and some may be considering a job in real estate. If you know anyone who is thinking about joining the profession, here are some frequently asked questions they may have:

Do I need any special qualifications?

It's a good idea to get your Certificate of Registration before you start working. While some administrative duties do not require this qualification, most duties in a real estate office – such as conducting open for inspections or arranging repairs for tenants – do require a Certificate.

You can obtain your Certificate by completing the Course in Property Practice with REINSW. The five-day course is offered every week (except those with public holidays) at the REINSW Training Centre at 74-78 Wentworth Avenue in the Sydney CBD. It is also offered over five consecutive Saturdays, or alternatively is available via eLearning.

Can I do a traineeship instead?

Yes, REINSW offers one-year traineeships to students employed by real estate agencies. The 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.

Can I become a member of REINSW while I am still a student?

Yes. A recent change in REINSW policy means that students doing the Course in Property Practice can become members for a fee of just \$66 per annum (GST inclusive). The 12-month membership ensures students have access to the latest information in the industry, with benefits including:

- 11 editions of the Real Estate Journal
- access to member "locked" content on the website, www.reinsw.com.au
- access to REINSW member discounts, such as discounted stationery;
- a \$10 gift voucher from REINSW Store (where students can purchase books); and

- enrolment for their next REINSW Training Course at the member price.

What support will I receive once I join the profession?

REINSW has recently launched a Young Agents group where new starters to the industry can network with each other, attend special events tailored to the 18 to 35 age group, communicate via a special Facebook group, receive mentoring and seek advice.

Members of REINSW can also join any Chapter groups specific to their area of practice (such as residential sales, property management, commercial property etc) for free and receive information updates tailored to their interests.

REINSW also provides a free helpline service to members.

How do I find out more?

Visit www.reinsw.com.au, email training@reinsw.com.au or call (02) 9211 8707.

Get a head start to your career by joining your professional association and stay in touch with all the latest industry information.

Jamie Hammond is the REINSW Education & Training Manager.

WISE INVESTMENT: Residential vs commercial



BY CHRIS GRAY

JUST AS SOME PEOPLE SWEAR BY POSITIVE CASH FLOW INSTEAD OF CAPITAL GAIN PROPERTIES, OTHERS PREFER COMMERCIAL TO RESIDENTIAL PROPERTIES WHEN IT COMES TO INVESTING. SO WHAT'S THE DIFFERENCE BETWEEN THE TWO AND WHICH IS RIGHT FOR YOU OR YOUR CLIENTS?

Expertise

The majority of mum and dad investors tend to invest in residential property while most institutional investors (super funds etc) mainly choose commercial properties. There's a number of reasons for that but one of the main ones is that we all live in a residential property and so it's easy for us to understand. Once a suburb has been set as residential, it will normally stay that way. Choosing the right commercial property is somewhat harder as the needs of the tenants changes with time and with the economy so you need more foresight into what might happen in the future.

Cost

The entry cost to buy most residential property is around \$250,000 to \$500,000 whereas to get into most commercial property it might be well over \$1 million (although small office suites can be purchased from \$250,000) that makes it much harder for the average person on the street to get into. Commercial investors like the high entry cost as it means they can have a few large investments rather than lots of little ones to manage.

Income vs capital gain

Residential properties tend to have a smaller rent return and a higher capital gain, whereas commercial

THIS IS ONE REASON WHY COMMERCIAL PROPERTY CAN BE HASSLE FREE IN COMPARISON – IT'S NORMALLY IN THE TENANTS' BUSINESS INTERESTS TO KEEP THE PROPERTY IN GOOD SHAPE.

properties normally have a higher rent and smaller capital gain. Institutional investors are often attracted to the high rents to offset their borrowing costs while residential investors typically are interested in the long term increase in value.

Leverage

Most banks will lend 80-100% on residential properties, which indicates they believe it to be a fairly safe solid investment. This means that a \$100,000 cash deposit could get you a \$500,000 to \$1 million investment. Commercial properties are seen as more risk and so often the banks will only lend 60-70% against them and at a slightly higher interest rate. This means your \$100,000 deposit might only get you a \$250,000 to \$333,000 investment.

Who pays the bills?

With residential property, it's normally up to the owner to pay for things such as repairs, maintenance, strata fees and rates. In commercial property, however, the tenant pays for almost

everything. This is one reason why commercial property can be hassle free in comparison – it's normally in the tenants' business interests to keep the property in good shape.

Risk

It's not often you see a good residential property in a popular suburb be up for lease for too long. There's nearly always a shortage of good rental properties, and so as long as you keep it in good order and price it right, you should have 50+ weeks of rent most years. Commercial is a lot more specialised with a usual vacancy of about three months to find the right tenant for a well-located property. Landlords use things like rent-free periods and free fitouts to attract good tenants – all of which has to be added to the profit and loss calculations. However the terms of tenancies are typically much longer than for residential properties.

Buying untenanted vs renovating

Often the way to add real value to residential property is to buy something that looks run down, do it up and then either sell or rent it out and refinance. Commercial property is usually valued on the income stream it produces. This means if you find something that is vacant and has no return, you can pick it up more cheaply. Repackage it and sign it up to a blue-chip tenant at a high rent with yearly increases and the value could skyrocket.

Tax effectiveness

Owner occupiers make up about 50% of the buyers of small

investments like offices. Many people with self managed super funds purchase offices and/or factories, occupy these themselves and lease back – this can be very effective taxation-wise.

THE KEY TO BEING A SUCCESSFUL INVESTOR IS UNDERSTANDING YOUR OPTIONS, WORKING OUT THE REAL PROS AND CONS AND THEN MAKING AN INFORMED AND UNEMOTIONAL DECISION.

As with all investments, there is no 'one' right answer. Each of us is different and we all have different needs and wants in the short and long term. The key to being a successful investor is understanding your options, working out the real pros and cons and then making an informed and unemotional decision.

Chris Gray is a leading property expert who provides opinion and commentary regularly on Sky Business News, Channel Nine and other major media. For a FREE copy of his latest book, The Effortless Empire: The Time-Poor Professional's Guide to Building Wealth from Property, visit www.yourempire.com.au. ♦

Run off with the business



BY JOHN HILL

YOU MAY STILL BE OPEN TO CLAIMS FROM PAST ACTIONS EVEN AFTER YOU HAVE RETIRED OR CLOSED YOUR BUSINESS.

Not all claims are notified straight away. Some people with grievances take years before they actually decide to sue, especially with personal injury matters.

If, during that time, you have closed your agency, retired or sold part of the business to another party, you may still be liable for those past actions – unknown incidences that have yet to be reported. Not a pleasant retirement scenario!

“Professional indemnity insurance – which covers real estate agents for claims of breaches of professional duty – operates on a ‘claims made’ basis, rather than an ‘occurrence’ basis,” said John Hill, Chairman of RealCover.

“An agent may have professional indemnity insurance while the business is operating, but then retires and is notified of a claim several years later. The agent must have run off cover in order to be protected at the time they are notified of the claim.”

He noted that in NSW, the Statute of Limitations for non personal injury claims is six years for some types of claims.

In the case of sale of a business, there are some circumstances where your liability is transferred to the buyer – but not all.

“PRUDENT AGENTS PURCHASE RUN-OFF INSURANCE TO PROVIDE COVER FOR A NUMBER OF YEARS AFTER THEY HAVE RETIRED OR CLOSED THE BUSINESS.”

“Where a sale of the assets of a business such as a rent roll is effected following the retirement of a principal, liability for past errors or omissions does not automatically transfer to the purchaser of that rent roll,” John said. “That would only occur where the business itself is sold, inclusive of its then current liabilities.”

Torquil Murray, legal adviser for RealCover, provided a number of real-life examples where claims have been brought years after the alleged breach of duty took place.

In one example, parties entered into a contract to buy a commercial property in February 1994. Six years later, in February 2000, the buyer instituted proceedings against the vendor, the selling agent and his own solicitors.

The buyer alleged that he bought the property upon a representation by the agent that the property was securely leased for six years. But he claimed he found the tenant was not of the quality that the agent made



THE LAST THING YOU WANT TO WORRY ABOUT IN YOUR RETIREMENT IS THE POSSIBILITY OF BEING SUED FOR SOMETHING THAT HAPPENED YEARS AGO IN YOUR BUSINESS

out and, among other problems, was behind in rent.

By that stage, the real estate agent had retired and closed up shop. All of a sudden he faced liability for the claim and large legal bills.

In another example, an agent sold a parcel of unfenced land under the instruction of vendors in September 1985.

Eight years on, in August 1993, the purchasers issued proceedings against the vendors and the agents, complaining that they thought they were getting nine acres but in fact only received six acres.

John said the moral of the story was not to get lulled into a false sense of security.

“Prudent agents purchase run-off insurance to provide cover for a number of years after they have retired or closed the business,” he said.

Fortunately, run off cover is much cheaper than the normal premium and drops sharply in future years.

John Hill is Chairman of RealCover, the specialist real estate insurer, 100% owned by REINSW.

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

Disclaimer

RealCover is a wholly owned subsidiary of the Real Estate Institute of NSW and was created solely for real estate agents to put control and management of professional indemnity insurance back into the hands of the real estate industry. While care has been taken preparing this article, and the information contained in it has been obtained from sources that the RealCover Insurances Limited (RealCover) believes to be reliable, RealCover does not warrant, represent or guarantee the accuracy, adequacy, completeness or fitness for any purpose that the article may be used. RealCover accepts no liability for any loss or damage (whether caused by negligence or not) resulting from the use of this article. The information in this article is also of a general nature and individuals should always consider their own circumstances and read the relevant Product Disclosure Statement before making any decision regarding any RealCover product.

Are you insured for increased cost of working?



WILL YOUR INSURANCE COVER THE RELOCATION EXPENSES IN THE EVENT OF DAMAGE TO YOUR OFFICE?

YOUR MOBILE RINGS AT 3.00PM ON A SUNDAY. IT'S THE EMERGENCY SERVICES – IN THE RECENT STORMS GALE FORCE WINDS HAVE TAKEN THE ROOF OFF YOUR OFFICE BUILDING AND RAIN WATER HAS POURED IN. YOU ARE ASKED TO COME TO THE OFFICE IMMEDIATELY.

When you arrive, you can see the sky while standing in your office and everything is soaked: files, carpets and computers. Amongst the chaos, you wonder how your business will survive and then you start to plan the recovery.

ANOTHER INSURANCE IMPLICATION IS THE COST TO KEEP YOUR BUSINESS RUNNING WHILE ALL THESE REPAIRS ARE BEING ORGANISED AND COMPLETED.

There are a number of insurance implications to this scenario. The immediate concern is the damage to the office, of which there are two parts, the office itself and the contents. While you may not be responsible for the building,

THE THREE TYPES OF COVERS DISCUSSED IN THIS ARTICLE (BUILDING, CONTENTS AND INCREASED COST OF WORKING) ARE CORE COMPONENTS OF WHAT IS COMMONLY REFERRED TO AS OFFICE PACK INSURANCE.

the contents of your office are most certainly your concern. This includes all the computer equipment, furniture and any other items kept in the office. Remember that in order to properly protect these items it is critical to insure your contents for their full replacement cost.

Another insurance implication is the cost to keep your business running while all these repairs are being organised and completed. In the above scenario, the damage has stopped you from being able to operate out of your office. Therefore, you will need to relocate temporarily.

This is where you may find yourself faced with an array of additional costs you have not anticipated, these include:

- rental of temporary offices;
- rental of office equipment including telephones and computers;
- connection and usage charges for services at the temporary office including electricity, telephone and internet; and
- placement of advertisements in the local newspapers and a mail out to tell your customers and suppliers where you have moved to.

Not many people realise that you can actually insure these costs under a cover called Increased Cost of Working. This covers you for exactly what it says – additional costs to keep your business running following insured damage to your property.

The three types of covers discussed in this article (building, contents and increased cost of working) are core components of what is commonly referred to as office pack insurance. Speak to your insurance broker about what your business is covered for and how well you would come out of a claim like the one just outlined.

For more information call Aon on (02) 9683 0921 or email nswe@aon.com.au ♦

Disclaimer

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

Reaching your financial goals



BY JOHN GREIG

MEETING WITH A FINANCIAL PLANNER MAY SEEM LIKE A DAUNTING TASK – TEDIOUS, PERHAPS EVEN UNNECESSARY FOR THOSE WITH A MODERATE INCOME. HOWEVER PREPARING FOR YOUR FINANCIAL FUTURE IS AN IMPORTANT UNDERTAKING FOR ANYONE AND A FINANCIAL PLANNER CAN HELP YOU IN MORE WAYS THAN YOU MAY EXPECT.

Areas that a financial planner can help you with include:

- retirement planning;
- transition to retirement;
- saving strategies;
- consolidating debt and paying it off sooner;
- children's education expenses;
- superannuation and salary sacrifice;
- optimising income strategies;
- insurance and protecting what you've got; and
- investment (managed) funds.

It is important to remember that financial planning is about making your hard-earned cash work harder for you.

How can a planner help you do this?

By getting to know your present circumstances and future objectives, your planner can begin to work with you to tailor a plan to suit your needs. It is important, therefore, for them to have all the facts.

During your first meeting, your planner will ask you lots of questions and will likely walk you through a 'fact-finding' questionnaire. Even if you are unsure of your own financial

goals, this 'fact finding' process will help them (and you) to define these objectives. As they say, 'if you don't know where you're going, then you don't know where you'll end up'.

Once you are happy that your goals have been clearly identified, your planner will begin to discuss the various methods you could choose to achieve these. Your planner will guide you towards the ones that best suit your needs. Ultimately, this is what financial planning is all about – clarifying financial goals and providing the best strategy to help you achieve them. A financial plan is simply the written record of this strategy.

What should you take to the meeting?

Good preparation will not only make the experience as painless as possible, but will help your financial planner develop a tailored strategy for you. It's important to bring documents relating to your financial assets and liabilities. Your current assets and liabilities are all the things that make up your individual financial situation.

Bring a copy of the following documents or information (if applicable to you):

All investment details, including:

- bank savings;
- term deposits;
- superannuation accounts;
- managed funds;
- investment property; and
- shares.

All sources of income, including:

- employment income (bring a copy of your last pay slip);
- Centrelink income;
- rental income;
- overseas pension income;

EVEN IF YOU ARE UNSURE OF YOUR OWN FINANCIAL GOALS, THIS 'FACT FINDING' PROCESS WILL HELP THEM (AND YOU) TO DEFINE THESE OBJECTIVES.

- annuity income;
- allocated pension income; and
- other income.

All debts (don't hold back here, you will get the most benefit if you lay out all the facts!), including:

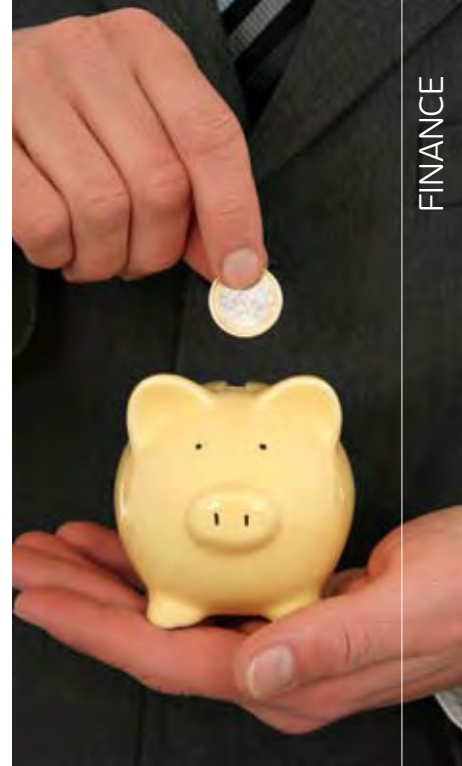
- home loan;
- investment loan;
- car loan;
- personal loan;
- credit card debt; and
- personal guarantees.

All expenses, including:

- regular expenses to support your lifestyle needs (i.e. what you need for your day-to-day living requirements); and
- one-off expenses and when you expect these to occur (e.g. an upgrade to your motor vehicle next year).

Other information that may be required:

- details of any risk insurances you have (e.g. life insurance, income protection, trauma insurance);
- Tax File Numbers (in case the financial planner needs to check any details with the Tax Office);



- a copy of your last tax return/s; and
- if you are receiving Centrelink income, a statement of income and assets which you can request from your Centrelink Office.

This may seem like a long list of personal information, however it is necessary to get a complete picture of your situation to obtain the best outcome for you.

Making the most of your meeting

Working with a financial planner can be a very beneficial experience, giving you the peace of mind of knowing that you are on track to attaining your goals. However, it is important to be fully aware that financial planning is not a once-off process. As your personal circumstances and goals change (a growing family, change in income), you should, in turn, update your financial strategy. This first meeting with your planner is simply the first stage in what should be a long-term and ongoing relationship.

John Greig is NSW Trustee for REI Super.

If you would like more information about contacting a financial planner, call REI Super on 1300 13 44 33, or visit www.reisuper.com.au. ♦

Disclaimer

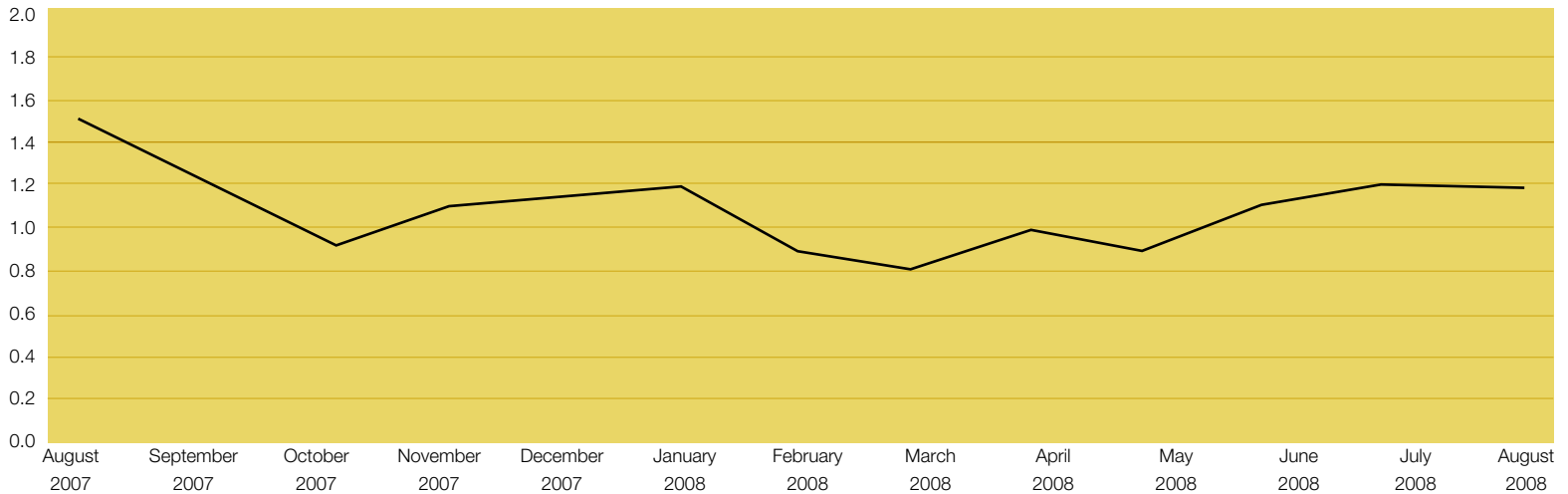
This information is intended to provide information of a general nature only, without taking into account your personal objectives, financial situation or needs. Investors are encouraged to seek professional assistance in order to avoid making decisions which are not appropriate to their needs, objectives and circumstances. REI Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 REI Super ABN 76 641 658 449 RSE R1000412

Research

Residential vacancy rate – Compiled by REINSW

SYDNEY	Aug-08	Jul-08	Jun-08	May-08		Aug-08	Jul-08	Jun-08	May-08
Inner	1.4%	1.2%	1.4%	0.9%	ALBURY	3.3%	3.7%	4.1%	3.1%
Middle	1.2%	1.3%	1.1%	0.8%	CENTRAL WEST	2.5%	2.4%	4.0%	3.0%
Outer	1.1%	1.0%	0.9%	0.8%	COFFS HARBOUR	3.4%	4.6%	4.9%	4.0%
Total	1.2%	1.2%	1.1%	0.9%	FAR WEST	-	-	-	-
HUNTER					MID-NORTH COAST	2.4%	2.1%	2.6%	2.1%
Newcastle	1.6%	1.5%	1.8%	3.1%	NEW ENGLAND	4.0%	4.0%	4.7%	3.4%
Other	2.6%	1.6%	1.8%	1.9%	NORTHERN RIVERS	2.0%	1.9%	1.7%	2.4%
Total	2.1%	1.5%	1.8%	2.2%	ORANA	2.0%	1.7%	2.4%	3.3%
ILLAWARRA					RIVERINA	2.7%	2.6%	3.3%	2.3%
Wollongong	2.1%	2.3%	1.3%	2.0%	SOUTH COAST	4.0%	3.8%	3.8%	3.6%
Other	2.6%	2.3%	3.4%	1.6%	SOUTH EASTERN	2.7%	3.8%	2.0%	3.3%
Total	2.3%	2.2%	2.2%	1.6%					
CENTRAL COAST									
	3.1%	3.2%	1.8%	2.7%					

Sydney vacancy rate



Source: REINSW Vacancy Rate Survey

Please assist REINSW in compiling the vacancy rate by responding to the survey emailed each month. To find out more, please call (02) 9264 2343 or email info@reinsw.com.au.

Sydney weekly auction clearance rates – provided by Australian Property Monitors

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
24/8/2008	51	49.2%	19	61.9%	61	41.3%	77	52.8%	464	44.55%
17/8/2008	46	54.2%	17	44.4%	35	51.2%	41	53.1%	282	45.97%
10/8/2008	54	56.2%	15	60.0%	36	54.8%	49	45.0%	297	45.45%
3/8/2008	45	62.3%	12	46.7%	28	56.7%	33	42.1%	258	46.31%
27/7/2008	47	58.2%	20	81.0%	31	57.6%	40	65.9%	296	52.71%
20/7/2008	60	47.2%	25	46.2%	31	51.3%	37	68.4%	330	44.00%
13/7/2008	35	60.5%	19	50.0%	19	57.1%	30	53.1%	277	47.21%
6/7/2008	35	51.1%	19	42.1%	30	55.6%	37	51.2%	252	48.60%
29/6/2008	37	51.2%	13	52.9%	27	42.9%	43	57.8%	276	48.87%
22/6/2008	63	52.6%	25	50.0%	50	46.2%	79	56.8%	439	43.88%
15/6/2008	47	46.3%	22	73.9%	36	51.1%	61	50.7%	369	47.37%
8/6/2008	53	57.4%	20	52.4%	47	52.6%	36	38.8%	340	44.61%

DOY
OUK
NO
WITH
EANS
WER?

OUR MEMBERS DO

Membership news

LET'S TALK ABOUT FORMS:

Buy the right form for the job

DON'T BE TEMPTED TO USE A RESIDENTIAL FORM WHEN SIGNING UP A COMMERCIAL OR INDUSTRIAL PROPERTY LISTING, OR ELSE YOUR AGREEMENT COULD BE INVALID.

The prescribed content for Residential Sales Agency Agreements and Commercial Sales Agency Agreements are different. REINSW has taken these differences into account when drafting these agreements to ensure you have a valid agreement for each type of transaction.

In essence, the requirements for residential forms are more prescriptive as the NSW Office of Fair Trading assumes that the average residential consumer may not have had much (or any) experience when it comes to property transactions.

Therefore, in Commercial/Industrial agreements, you will not see additional information such as:

- the warning notices relating to the signing of more than one agreement;
- reference to the Consumer Guide; or
- the prescribed cooling-off period clause.

REINSW does not recommend that an agent use a Residential Sales Agency Agreement when

transacting commercial or industrial property. Moreover, if a Commercial/Industrial Agreement was to be used for a residential sale, it would not be compliant and thus unenforceable.

DON'T RISK PENALTIES OR LOSS OF COMMISSION BY USING AN INCORRECT AGREEMENT OR WASTE TIME BY TRYING TO AMEND ONE AGREEMENT FOR ANOTHER

Don't risk penalties or loss of commission by using an incorrect agreement or waste time by trying to amend one agreement for another circumstance.

REINSW has drawn on its resources to ensure you have the right tool for each and every sale.

To place an order or make further inquiries, email store@reinsw.com.au, call (02) 9264 2343, fax 1800 622 546 or visit the REINSW Store at 30-32 Wentworth Avenue in the Sydney CBD.



Buy pink 'Sold' stickers

SUPPORT BREAST CANCER RESEARCH BY BUYING SPECIAL PINK 'SOLD' STICKERS FROM REINSW.

These have been launched ahead of Pink Ribbon Day, which takes place on Monday, 27 October.

The profits from the pink 'Sold' stickers will be donated to the National Breast Cancer Foundation.

Breast cancer is the most common cancer among women in Australia. One in eight women will be diagnosed with breast cancer by the age of 85. More than 2,640 women die from breast cancer each year, making it the leading cause of cancer-related death in females.

The incidence of breast cancer is increasing, but with continued support and funding from organisations like the National Breast Cancer Foundation, improvements in research mean survival rates are on the rise.

To purchase your pink 'Sold' stickers, email store@reinsw.com.au, call (02) 9264 2343 or visit the REINSW Store at 30-32 Wentworth Avenue, Sydney.



PRODUCT OF THE MONTH: Pocket Dimension Master

Measure distances quickly and accurately with this hand-held device.

The Pocket Dimension Master uses ultrasonic technology to measure distances up to 15.2m (50 feet). Just point it at the wall and you can measure the size of a room in a property – no tape measures required!

The device measures in imperial or metric, and runs on a long-life lithium battery.

No sales agent or property manager can afford to be without one of these essential tools.

Cost: \$94.05 members, \$104.50 non-members

Product code: AS00400

To place an order, visit www.reinsw.com.au and click on 'Products' or email store@reinsw.com.au



AGM

NOTICE IS HEREBY GIVEN

That the **Annual General Meeting of the Real Estate Institute of New South Wales Limited** for the year ended 30 June 2008 will be held on Friday, 28 November 2008 at the Rydges World Square Sydney Hotel, 389 Pitt Street, Sydney commencing at 10.30am.

T. P. McKibbin
Company Secretary

Real Estate Institute of
New South Wales Limited

AGENDA

1. Apologies.
2. To receive and adopt the minutes of the Annual General Meeting of 28 November 2007. (See note)
3. To receive and consider the Report of the President. (See note)
4. To receive and consider the financial reports including the auditor's report for the year ended 30 June 2008 (see note), the audited balance sheet, profit and loss accounts and other reports and statements required by the Corporations Act 2001.
5. Appointment of Auditors.
6. General Business.

Note:

The minutes of the Annual General Meeting of 28 November 2007, Report of the President, financial reports including the auditor's report, the audited balance sheet, profit and loss accounts along with other reports and statements required by the Corporations Act 2001 will be available on the member-only section of the Institute's website at www.reinsw.com.au from Tuesday, 4 November 2008. If you require a hard copy of these documents, please telephone Cynthia Theodore on (02) 8267 0557.

Proxies

In accordance with the Company's Constitution, a voting member may nominate another voting member as a proxy. A person may not hold more than five (5) proxies. Proxies will only be valid if received by the Company Secretary no later than 5.00pm, Wednesday, 26 November 2008. Proxy voting forms are available from the Institute. Please phone Cynthia Theodore on (02) 8267 0557.

Congratulations Angela Walker

SHE IS ONLY JUST FINISHING HER HIGHER SCHOOL CERTIFICATE AND YET ANGELA WALKER IS ALREADY PROVING TO BE A REAL ESTATE STAR.

Angela, 18, was recently a finalist in the NSW Training Awards in the category of School Based Apprentice of the Year. The award recognised her achievements in vocational training over the past two years while completing her school studies.

"We're very proud of her," said Kathy Hall, owner of Big River Real Estate in Deniliquin, an REINSW member agency.

Angela has spent two afternoons a week and Saturday mornings at the real estate agency since the start of year 11, while studying a vocational real estate course via correspondence.

At the start of this year, she voluntarily completed her Certificate of Registration. She has since attended hearings at the Consumer, Trader and Tenancy Tribunal and has conducted routine property inspections.

ANGELA HAS SPENT TWO AFTERNOONS A WEEK AND SATURDAY MORNINGS AT THE REAL ESTATE AGENCY SINCE THE START OF YEAR 11.

"She will start with us full time as soon as she is finished her exams," Kathy said. "Our property management is just at the level of taking on a new person. She will go straight into that role."

Last month Angela attended the awards ceremony for the NSW Training Awards with 900 people at the Sydney Convention and Exhibition Centre.

"It's such a huge achievement in her HSC year," Kathy said.

The agency decided to employ Angela after she came there for work experience in year 10.



KATHY HALL, ANGELA WALKER AND ASHLEY HALL

"We realised very early when opening our agency in 2005 that the biggest challenge we were going to face was the critical shortage of skilled labour, particularly in regional areas, for our property management division," Kathy said. "We made the decision to identify potential employees through the year 10 work experience program and then offer a school based traineeship in property management."

After the success of working with Angela, Kathy said she would certainly consider taking on a school based apprentice in the future.

"SHE WILL START WITH US FULL TIME AS SOON AS SHE IS FINISHED HER EXAMS."

REINSW runs a successful traineeship program, with studies conducted online or via correspondence as well as regular face-to-face contact with trainers. For more information, visit www.reinsw.com.au/training, email training@reinsw.com.au or call REINSW Education & Training on (02) 9211 8707.

NEW MEMBERS

Century 21 Coastline Properties
Torrington Road
SOUTH COOGEE 2034

Endless Summer Realty Pty Ltd
PO Box 1248
COOLANGATTA 4225

Forest Hills Realty
4 Sequoia Drive
TAMWORTH 2340

McGrath Gosford
112 The Esplanade
TERRIGAL 2260

Mr Branko Ferdinand Strehar
150 Monaro Street
QUEANBEYAN 2620

Mr G Muir
Unit 4 23 Blue Jay Circuit
KINGSCLIFF 2487

Noonan & Co Real Estate
Level 12 70 Pitt Street
SYDNEY 2000

Owners Choice Real Estate
Shop 2 264 Main Road
TOUKLEY 2263

Ray White Narrabri
PO Box 502
NARRABRI 2390

Real Estate Partners
100 Monks Lane
MT HUNTER 2570

Wells Property Sales
36 Carrington Street
DARLINGTON POINT 2706

Reciprocal Member
DJ Stringer Property Services
76 Griffith Street
COOLANGATTA 4225

Associated Calling
Ms C Hajinikitas
P O Box 787
CARINGBAH

Practice Members
Ms K Badaoui
BLAXLAND 2774

Mr P Marshall
ROZELLE 2039

Ms S McWiggan
WOLLSTONCRAFT 2065

Mr S Millard
WAGGA WAGGA 2650

Mr M W J Ng
FAIRFIELD 2135

Mr T Park
LIDCOMBE 2141

Ms S Robins
MURWILLUMBAH 2484

Mr G Silby
FINLEY 2713

Mr G Thravalos
MARRICKVILLE 1475

Mr P Xu
ASHFIELD 1800

NEW MEMBER PROFILE: Century 21 Coastline Properties



Richard Movsessian

I have been a real estate agent in the Eastern Suburbs for the past 15 years and am ranked amongst the Century 21 Top 1% in the world.

Membership of the REI not only provides my staff with a wealth of knowledge but also gives my clients the assurance that they are doing business with professionals.

Real benefits

REINSW IS YOUR PROFESSIONAL ASSOCIATION FOR ADVICE, SUPPORT, KNOWLEDGE, EXPERIENCE AND TRAINING. NO MATTER WHAT AREA OF THE PROPERTY INDUSTRY YOU WORK IN, REINSW WILL SUPPORT YOU TO:

01 Build your business

- REINSW branding
- REINSW Awards for Excellence
- REINSW Find an Agent
- REINSW networking and member forums

02 Minimise your risks

- REINSW Compliance Review Service
- REINSW free member-only helpline service
- REINSW forms, leases and agreement documents
- REINSW legal advice and dispute resolution

03 Protect your interests

- Lobbying government and driving industry change
- Advocacy for members through the media
- Industry representation
- Educating consumers

04 Increase your knowledge

- REINSW Education and Training
- REINSW Real Estate Journal
- REINSW website
- REINSW specialist industry newsletters
- REINSW online news updates

05 Save you money

- REINSW Store
- REINSW member-only prices
- REINSW member discounts on a full range of commercial supplies

REINSW member discounts

Property websites

realestate.com.au

REINSW member agencies receive a 10% discount on standard subscriptions, platinum subscriptions and selected advertising products on realestate.com.au and realcommercial.com.au. Call 1300 134 174.

Professional indemnity insurance

RealCover

REINSW member agencies enjoy a 10% discount off base premium professional indemnity insurance with RealCover. Minimise your risk and ensure your business is protected by experiencing the RealCover difference. Call 1800 803 636 or visit www.realcover.com.au

Office products

Corporate Express

Discounts of approximately 15% to 20% less than retail price when purchasing office supplies such as stationery, blank paper, printer toners and bathroom products. Free delivery anywhere in NSW. Call Paul Gordon on (02) 9335 0956 or 0407 471 100 or email paulg@ce.com.au

Car services

Private Fleet Car Buying Service

The usual service fee will be waived for REINSW members. Private Fleet are able to obtain fleet discounts on all new vehicles. Call 1300 303 181.

Mitsubishi Motors Australia

Purchase any one of a number of vehicles from the extensive Mitsubishi range at the fleet owners' discount price. Call REINSW Membership on (02) 9264 2343 for more information.

Media

BRW

BRW offers REINSW members a highly discounted rate to BRW of \$179 for 12 months (50 issues). This offer is available to new subscribers to BRW only. Call 1800 032 577 or email brwhelp@brw.fairfax.com.au.

Contact us

Reception: (02) 9264 2343
Education & Training: (02) 9211 8707
Email: info@reinsw.com.au
Website: www.reinsw.com.au

Board

President:
Steve Martin

Deputy President:
Christian Payne

Vice Presidents:
Malcolm Gunning, Wayne Stewart

REIA representative:
Chris Fitzpatrick

Directors:
Christine Clarke, John Cunningham,
Miles Felstead, Kim Hamilton,
John Hill, Brett Hunter, Kate Lumby,
Charles Mellino

Journal

Editor:
Roslyn Alderton (02) 8267 0528
email: ralderton@reinsw.com.au

Advertising:
Alyssa King (02) 9264 2343
email: advertising@reinsw.com.au

Administration

Chief Executive Officer:
Tim McKibbin

General Manager:
Peter Griffin

Manager, Marketing
& Communications:
Allison Barrett

Manager, HR:
Caroline Busvine

Manager, Education & Training:
Jamie Hammond

Manager, Corporate Services:
Kevin Kenna

Manager, Legal & Agency Services:
Sam Kremer

Manager, Marketing and Retail
Dale Maroney

Production

Design and Production:
Spoonful (02) 9331 4468
email: info@spoonfuldesign.com.au
www.spoonfuldesign.com.au

Printing:
GEON Penfold Buscombe
(02) 8333 6555
www.geongroup.com

REINSW major partners

The Real Estate Institute of NSW acknowledges the generous support of our major partners:

Direct Connect

A connection service for electricity, gas and telecommunications. Call 1300 664 715 or email agent.service@directconnect.com.au

realcover

100% owned by Real Estate Institute of NSW

Professional indemnity insurance specifically designed to protect and support real estate agents. And it is 100% owned by REINSW. Call 1800 803 636 or visit www.realcover.com.au

Aon REINSW INSURANCE

A broad range of insurance solutions to protect you, your business and your clients. Call 1300 734 274 or email rei.insurance.nsw@aon.com.au

Disclaimer

Whilst the Real Estate Institute of New South Wales uses its best endeavours in preparing and ensuring the accuracy of the content of this publication, it makes no representation or warranty with respect to the accuracy, applicability, fitness, legal correctness or completeness of any of the contents of this publication.

The information contained in this publication is strictly for educational purposes only and should not be considered to be legal advice. Readers must obtain their own independent legal advice in relation to the application of any of the material published in this journal to their individual circumstances.

The Institute disclaims any liability to any party for loss or any damages howsoever arising from the use of, or reliance upon, any of the material contained in this publication.

The views and/or opinions expressed in this publication are those of the respective author and do not necessarily reflect those of the Real Estate Institute of New South Wales.

Want to receive your own copy of the *Journal*, email updates, training and event discounts, and more?

If your agency is a Full Firm or Branch member of REINSW, you can sign up as an individual member for just \$108.00 per annum (GST inc).

REINSW APPLICANT INFORMATION

CATEGORY OF MEMBERSHIP

This category (Ordinary / Affiliate) is for an employee of a company that is currently a REINSW member (Full Firm, Branch or Reciprocal). Email membership@reinsw.com.au to join a Chapter(s) once your membership has been approved.

The non-refundable Membership fee of \$108.00 per annum (GST inc) payable on application.

TO APPLY

- Complete this Application form and fax to Membership on (02) 9264 2098
- For more information call REINSW on (02) 9264 2343 or email membership@reinsw.com.au

APPLICATION FORM

Please include copies of your current licence, valuers registration or certificate of registration

1. FIRM DETAILS

Name of REINSW member firm	<input type="text"/>		
REINSW membership number	<input type="text"/>	Contact telephone number	<input type="text"/>
Principal Representative / Office Manager	<input type="text"/>		

2. YOUR DETAILS

Name	<input type="text"/>	Position title	<input type="text"/>
<input type="checkbox"/> Cert. of Registration OR	<input type="checkbox"/> Licence	Number	<input type="text"/>
Are you a registered Valuer?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Expiry date <input type="text"/>
Mobile	<input type="text"/>	Email	<input type="text"/>
		Date of birth	<input type="text"/>

(Please note: Access to member-only content on the website requires a unique email address for each person)

3. CREDIT CARD AUTHORISATION

Membership fee \$108.00 per annum (GST inc)

Please charge my Visa Amex Mastercard

Credit card number	<input type="text"/>	Expiry date	<input type="text"/>
Name on card	<input type="text"/>		
Signature	<input type="text"/>	Date	<input type="text"/>

ACKNOWLEDGMENT AND UNDERTAKING

I acknowledge that acceptance of this nomination is subject to determination by the Board of Directors of REINSW. I understand that upon acceptance of my nomination I will be enrolled as an Ordinary or Affiliate Member of the Real Estate Institute of New South Wales and I undertake to be bound by the Constitution, Code of Practice¹ and policies of REINSW in force and as henceforth amended and adopted. I agree to pay membership fees when these become due and will be responsible for these until such time that I advise in writing to discontinue my membership and confirmed by REINSW. Fees are subject to change.

Date	<input type="text"/>	Name	<input type="text"/>
Signature	<input type="text"/>		

SUPPLIER DIRECTORY

AUCTION SERVICES



Auction Call offers a dynamic and professional presentation for your next auction property. With over 20 years experience, we are recognised as auctioneers of style and success. Enhance your office exposure and marketing expertise.

Call 0408 744 668 or email roger@rogerpage.com.au

AUCTION SERVICES



Cooley Auctions is a young, fresh and energetic team of auctioneers that are recognised as being amongst the top performers in the country. We are driven by our results!

Call (02) 9326 2833 or visit www.cooleyauctions.com.au

CONVEYANCING



Do you want a competitive advantage? Lawlab delivers smarter conveyancing solutions to your business. We utilise industry leading technology to provide streamlined and efficient collaborative conveyancing.

Call 1800 529 522 or visit www.lawlab.com.au

DISPLAYS



The most powerful digital internet solution to display window listings. It's cost effective and easy to manage. Fully customised to fit your window and brand.

Call 1300 767 116 or email info@ivisual.com.au
www.ivisual.com.au

DISPLAYS



Looking for an eye-catching window display? One that stands out from the rest? Then you need to contact Window Displays for all your window display needs.

Call (02) 9457 7888 or visit www.windowdisplays.com.au

FINANCIAL SERVICES



RealCover provides professional indemnity insurance specifically designed to protect and support real estate agents. And it is 100% owned by REINSW. 10% discount for REINSW members.

Call 1800 803 636 or visit www.realcover.com.au

FINANCIAL SERVICES



With a broad range of insurance solutions to protect you, your business and your clients, Aon are the real estate insurance experts.

Call 1300 734 274 or email rei.insurance.nsw@aon.com.au

INDUSTRY SUPER



Rei Super, the industry superannuation fund, pays no commissions to financial advisers, reducing fund costs and providing a 'Lifetime of Difference' to fund members.

Call 1300 13 44 33 or visit www.reisuper.com.au

IT



Console is the market leader in real estate CRM, sales and property management software with more than 9,000 users throughout Australia and New Zealand.

Call 1300 131 311 or visit console.com.au

MEDIA



BRW is Australia's only weekly business magazine that examines Australian business. For real estate professionals, BRW offers regular news, views and trends going on in the property industry.

Call 1800 032 577 or email brwhelp@brw.fairfax.com.au www.brw.com.au

OFFICE SUPPLIES



Paper, printer toners, stationery and bathroom products for your office. Discounts of up to 20% and free delivery for REINSW members.

Call Paul Gordon (02) 9335 0956 or 0407 471 100 Email: paulg@ce.com.au

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. 10% discount for REINSW members. To advertise your business and listings:

Call 1300 134 174 or email reainfo@realestate.com.au

RECRUITMENT



Operating for over 5 years we are a team of industry renowned professionals focused on recruiting for Real Estate. When people & growth matter - We can help!

Call (02) 9361 3000 or visit www.sharonbennie.com.au

UTILITY CONNECTION



To use the connection service, call 1300 664 715 or email your details to agents.support@directconnect.com.au and our Agent Services Team will contact you within 24 hours.

VIRTUAL SHOWROOM



No two properties are the same, why should your ads be? YouVu Virtual Showrooms differentiate your property with a greater level of content controlled by you.

25 locations, 150 images, 25 videos/virtual tours and up to 10,000 words for \$40.00.

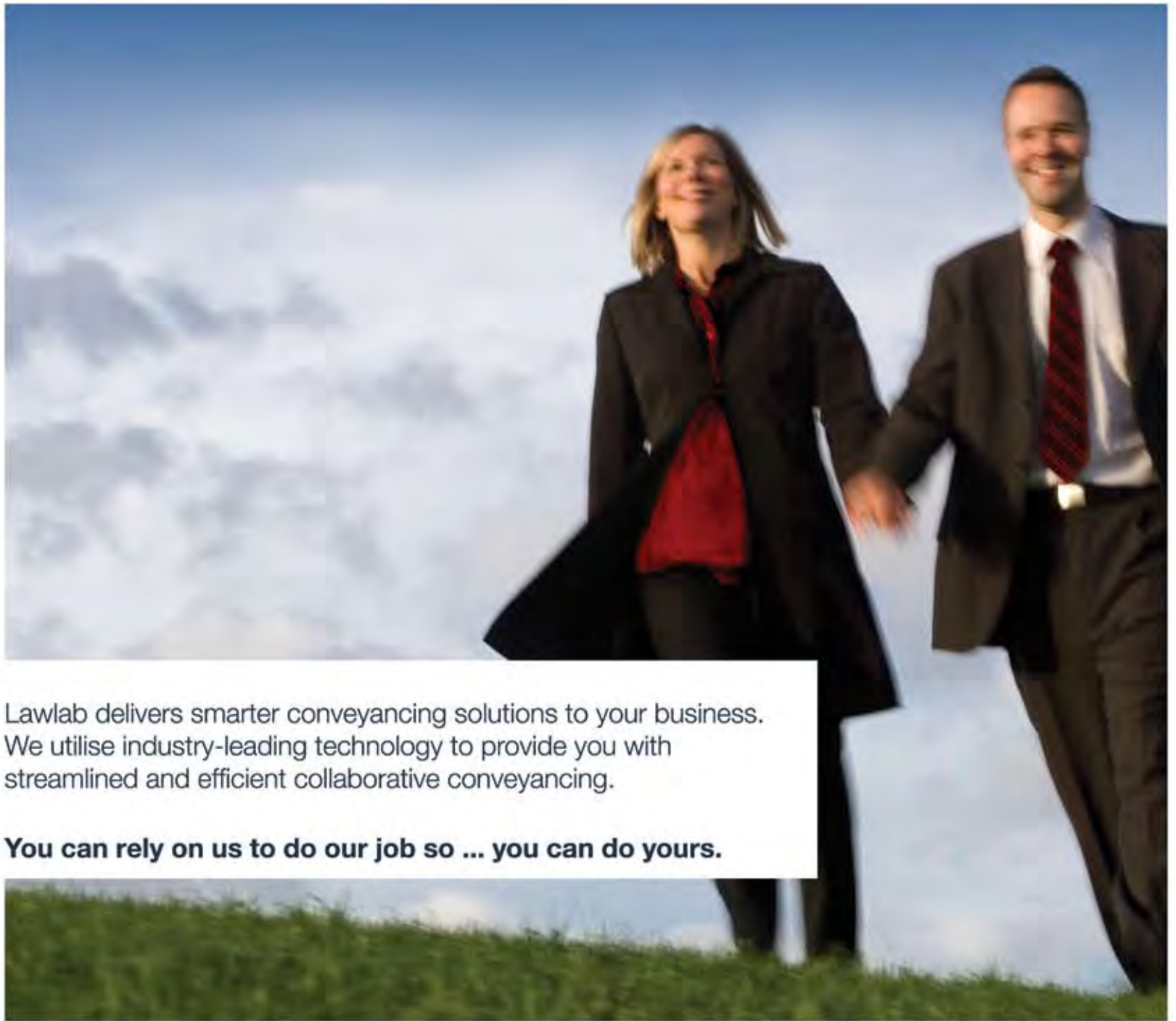
Call (02) 8005 1702 or visit www.youvu.com.au

Increase your sales

Reach new customers by advertising in the Real Estate Journal and benefit from its high level of reader engagement.

Make an investment in the future of your business – book an ad today!

For a list of advertising rates, email advertising@reinsw.com.au or call (02) 9264 2343.



Lawlab delivers smarter conveyancing solutions to your business. We utilise industry-leading technology to provide you with streamlined and efficient collaborative conveyancing.

You can rely on us to do our job so ... you can do yours.

Do you want a competitive advantage? By working with lawlab, you will instantly receive the benefits of lawlab's new, smarter online collaborative conveyancing system. Lawlab is ready when you are, 24/7. You and your clients will appreciate just how stress-free and easy we make it!

- Collaborative conveyancing – we work with you to achieve results.
- Secure new vendors – increase the speed to market of your seller's residential property. Input data directly into our online interview form. Initiate contract preparation and searches for a seller in your office, when you choose.
- Lock in buyers – start the purchase conveyancing process online, even on a Saturday.
- Get a copy of the contract when you need it – print/view it from www.lawlab.com.au any time.
- Save time – you and your client can access sale and purchase information 24/7. Track the entire conveyance online and message us instantly.
- Receive critical messages wherever you are – exchange, end of cooling-off period and settlement confirmed by sms.

Call 1800 529 522 (1800 LAWLAB) or visit us at www.lawlab.com.au

lawlab

Conveyancing. Ready when you are™

PHOTOCOPIER + FILING CABINET VS GATEWAY 2007? NO CONTEST.

Sending statements by email saves time and money but if you need to send copies of invoices it isn't so great.

With the new document integration features in Gateway 2007 you can attach all kinds of documents to all types of files.

So now you can drag an invoice off your desktop and drop it right onto a payment dialog.

Then when you email statements Gateway automatically attaches any invoices to the email.



No collating. No paper. No contest.

 Console®
Gateway 2007