

# Journal

MAR 2009  
VOL 60/02



**Dreams come true**  
First home buyers  
grasp the opportunity

**Office vacancies**  
The challenges of  
empty space

**Understanding land tax**  
A guide for property  
managers

## responsible business

**How environmental  
and social awareness  
can benefit your agency**

### **Earth Hour**

John Derrick from CB Richard Ellis  
turns off the city lights

# realestate.com.au<sup>®</sup>

## freezes agent subscription prices until 2010

Dear Members,

realestate.com.au is pleased to announce that it has frozen residential subscription prices until February 2010\*.

The decision to freeze subscription prices follows consultation with many of our members, who have expressed that this is a time when the industry needs assistance to boost real estate activity.

We recognise that many of you may face a tough year and we want to support the industry by making it easier for you and potential vendors who are considering selling a property this year.

This announcement also coincides with a record 4.83 Million people visiting realestate.com.au in January, highlighting that there is still a growing online audience of people researching real estate agents and properties for sale\*\*.

Australian real estate agents spend \$1.1 billion each year on real estate advertising including print and online, with 12% being invested into online advertising<sup>†</sup>. With nine out of ten people researching property online<sup>#</sup>, and a reported 40% of enquiries being generated from online advertising<sup>^</sup>, we believe that advertising online continues to be the most cost-efficient and effective advertising medium for you and your vendors.

Our decision to freeze subscription prices will help to ensure that you continue to benefit from the high return on investment that advertising on realestate.com.au delivers.

realestate.com.au last raised our prices on 1 September 2008\*. Please note: For agents that are on pre-September 2008 residential subscription prices, your subscription price will be brought into line with the September 2008 rates at the time of your renewal.

If you have any questions, please speak to your realestate.com.au Account Manager, contact our Customer Care Centre on 1300 134 174 or email [reainfo@realestate.com.au](mailto:reainfo@realestate.com.au)

We look forward to doing business with you in 2009 and beyond.

Yours sincerely,

Jamie Pride  
CEO Australia  
[realestate.com.au](http://realestate.com.au)



### \*Important Information:

- Applies to residential subscription prices only. [realcommercial.com.au](http://realcommercial.com.au), [reaholidays.com.au](http://reaholidays.com.au) and Developer subscriptions will not be affected
- realestate.com.au will not freeze prices on its depth products which are different to subscriptions and are only used by a small percentage of agents.
- This 16 month price freeze maintains realestate.com.au's residential subscription prices at the level set in September 2008

<sup>†</sup> Agents spend \$1.1 billion on real estate advertising in Australia in print and online, Deutsche Bank Group 2008

<sup>^</sup> Macquarie Bank, Real Estate Agency Survey, November 2007



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TO EARTH HOUR.

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"I CAN SAVE MONEY  
ON TRAINING, EVENTS,  
FORMS AND INSURANCE  
... and that's why  
I'm a member."

Michelle McLean  
Ray White Sylvania

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## PRESIDENT'S MESSAGE



The first few months of 2009 have been extremely busy in the media for REINSW President Steve Martin and CEO Tim McKibbin. They have been talking up the opportunities for investors and home buyers now that we have record low interest rates as well as the economic stimulus generated by the additional first home buyer's grants.

Also on the agenda has been the ongoing issue concerning the availability of rental accommodation in NSW.

So what does all this activity mean when it comes to the public hearing the REINSW message?

It translates into literally hundreds of thousands of people hearing REINSW on radio, seeing us on TV and reading about us in print in metropolitan centres as well as regional and rural towns.

Recent media monitoring undertaken during the release of the end of 2008 vacancy rates showed extensive media coverage in the cities and rural areas alike with an estimated readership of all articles and news stories exceeding two million people.

*Check out all the latest news releases and media coverage by visiting [www.reinsw.com.au](http://www.reinsw.com.au)*

### **Responsible business**

As I write this latest President's Message, my heart goes out to all the families that have been affected by the devastating bushfires in Victoria. On behalf of REINSW, I extend my sympathy to the victims and encourage member agencies to give generously to assist in rebuilding homes and communities.

The bushfires – as well as the recent floods in Queensland and Northern NSW – have been a vivid reminder of both the power of nature and the importance of helping others in times of need.

None of us lives or works in isolation. Both at home and in our businesses, we need to recognise that we are part of the natural environment and the wider fabric of society. What we do impacts the environment and the people around us; in turn we are all affected by the forces of nature (such as the tragic bushfires) and of society (such as the global financial crisis).

As real estate agents, we have close ties with our local communities and a vast opportunity to make a positive impact both to the environment and to society.

For example, you could join in the Earth Hour movement and switch off your lights and electrical appliances for one hour on 28 March (see page 28). You can also ensure your agency is energy-efficient all-year round.

If you're the Principal of your agency, you could consider taking part in the CEO Sleepout run by the St Vincent de Paul Society to raise funds to help the homeless (see page 6). Vinnies is the major charity in partnership with REINSW. As we are in the business of housing, it is only natural that we should help support people without a home.

I know many agencies already engage in Corporate Social Responsibility without even realising it (see the feature article on page 18 for more examples of positive steps your agency can take). I encourage all REINSW members to rise to the challenge and ensure we are companies that care, not just on special occasions, but as part of our day-to-day business.

Steve Martin  
REINSW President

I ENCOURAGE  
ALL REINSW  
MEMBERS TO RISE  
TO THE CHALLENGE  
AND ENSURE WE  
ARE COMPANIES  
THAT CARE.

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## Country living best

Australians are happiest in towns with less than 40,000 people, according to the Australian Unity Wellbeing Index. The least satisfied people live in the inner city or Sydney's west.

"Community connection has a large impact on how people feel about their lives," said Professor Bob Cummins from Deakin University, the author of the index.

"This is very difficult to achieve in larger towns and cities but appears to be highly evident in smaller towns and country regions."



## Don't dampen your enthusiasm

Owners and managers of heritage buildings now have a new resource to help them combat rising damp and salt damage.

The Heritage Council of NSW has released its latest technical guide *Salt Attack and Rising Damp*. Aimed at both the home handyman and the professional heritage consultant, the publication is available for free download at [www.heritage.nsw.gov.au](http://www.heritage.nsw.gov.au) or else it can be purchased for \$25 including GST plus postage.

## Taking stock

Australian Livestock & Property Agents (ALPA) is compiling a list of people with agistment that they can offer to victims of the Victorian bushfires and Queensland floods.

ALPA will also take details of any feed donations producers may have and can organise to have it collected and delivered where it is most needed.

*For more information, contact ALPA on (02) 9262 6633.*



## Fast sales

Collaroy Plateau on Sydney's Northern Beaches is enjoying the fastest property sales in the capital city, taking just 20 days, according to an analysis by RP Data.

Units are selling fastest in Mortdale in Sydney's south, taking an average of 21 days.

Interestingly, the fastest selling houses are all more expensive than the current Sydney median value (\$556,877). For both houses and units, the fastest selling areas are almost all within 20km of the Sydney CBD.

### Time on market (TOM) November 2005 to November 2008

	Suburb	# Sold	Med Price	TOM
Houses	Collaroy Plateau	52	\$876,000	20
	Double Bay	32	\$2,402,500	22
	Artarmon	31	\$1,368,000	22
	North Willoughby	33	\$1,238,000	22
	South Turramurra	41	\$750,000	22
Units	Mortdale	99	\$320,000	21
	Waverton	59	\$650,000	22
	Macquarie Park	129	\$390,000	22
	Darling Point	58	\$1,178,125	23
	Marsfield	153	\$438,008	24

Source: RP Data



## Best buying opportunity in NSW?

The increased \$14,000 first home owners grant could cover half the purchase price of this manufactured home in Nambucca Heads.

The one-bedroom house in the Nambucca Beach Holiday Park is on the market for \$28,000.

Agent Michael Tonkin from Roberts Nambucca First National said the property would be suitable either as a home or as a beachside holiday house.

(The first home owners grant is available for a property that is used as a principal place of residence for at least six out of the first 12 months after purchase.)



## It doesn't look like much now, but ...

An Asian investor has purchased a block of land in the Sydney CBD for \$38 million.

Steam Leung, Asian Director at Colliers, negotiated the deal for the site, located on Quay Street in Haymarket.

Mr Leung said the lowered value of the Australian Dollar was a significant factor for the sale, as well as the site's close proximity to the high Asian population of the CBD's South, Central Station and University of Technology.

## Rebuilding communities

Habitat for Humanity Australia (HFHA), has promised to help rebuild the communities devastated by the Victorian bushfires.

The not-for-profit organisation is calling for volunteers and skilled tradesmen to assist in a unique way by actively getting involved in the recovery program and to help with the rebuilding efforts over the next year as soon as the immediate clean-up operation is complete and overall plans settled.

Habitat for Humanity has met the challenge of natural disasters worldwide and helped rebuild homes and hope for affected families in the wake of Hurricane Katrina, the Indian Ocean Tsunami, the China Earthquake and the Myanmar Cyclone.

To donate or volunteer, visit [www.habitat.org.au](http://www.habitat.org.au) or phone 1800 88 55 99.



## Bevens gets bigger

REINSW member Anthony Langlois and his team at Bevens real estate have opened a new office in Kiama, with more than 100 people – including Kiama Mayor Sandra McCarthy – attending the grand opening. The new office is in addition to the existing Bevens office in Gerringong.

Congratulations to Anthony and his team on their success!

REINSW members are welcome to send photos and information about news at their office to [ralderton@reinsw.com.au](mailto:ralderton@reinsw.com.au)



## Hard work pays off

Three bright young agents have received a stepping stone into the industry as winners of the Laing+Simmons Scholarship Program.

Now in its 12th year, the program provides school leavers with a week of practical work experience at one of 50 Laing+Simmons offices in New South Wales. Laing+Simmons also assists the applicants to attain their Certificate of Registration by paying for them to complete the Course in Property Practice through REINSW's Training Centre.

One of the winners, Gary Serian, managed to secure a full-time position after his week of work experience.

"To break into the real estate industry has been a goal of mine for years, so I'm very happy to have been given the opportunity with Laing+Simmons," Gary said.

To find out more about joining the industry, visit [www.reinsw.com.au/training](http://www.reinsw.com.au/training)

TOP: LAING AND SIMMONS AWARD WINNERS - BELINDA COOK, JAMIE KRITHARAS AND GARY SERIAN, WITH LAING AND SIMMONS GENERAL MANAGER LEANNE PILKINGTON

## New name for rural service

The Rural Lands Protections Boards are now called Livestock Health and Pest Authorities, while the number of districts has reduced from 47 to 14 through a series of amalgamations.

While the name has changed, the authorities are still committed to safeguarding agricultural production from the biosecurity risks posed by disease and pests. The organisation also manages travelling stock reserves, stock movement and identification, and assists with drought relief.

For more information, visit [www.rlpb.org.au](http://www.rlpb.org.au)

## Good luck for the REIA Awards!

Agents from across Australia will gather in Melbourne on 2 April for the REIA National Awards.

Winners of a number of REINSW Awards for Excellence are in the running for the national awards, vying against the best agents in the country.

For more information about the awards night, call Rhiannon McClelland at REIA on (02) 6282 4277.

# Help for the homeless

REINSW HAS JOINED FORCES WITH THE ST VINCENT DE PAUL SOCIETY FOR THE 2009 CEO SLEEPOUT AT SYDNEY'S LUNA PARK ON THURSDAY 18 JUNE. THE EVENT CHALLENGES BUSINESS LEADERS INCLUDING OUR OWN PRESIDENT, STEVE MARTIN, TO EXPERIENCE HOMELESSNESS ON ONE OF THE COLDEST NIGHTS OF THE YEAR.

Money raised through sponsorship of all participating CEOs will go directly towards assisting the St Vincent de Paul Society in providing relief to the homeless through crisis accommodation, domestic violence support, access to budget counselling and legal advice, education and recreation so people can make better choices in life.

In November 2008, the Society opened the largest dedicated learning and recreation facility for homeless people in Australia, the Ozanam Learning Centre (OLC) in Woolloomooloo. The OLC offers educational courses to equip

homeless men and women with the basic skills to aid their subsequent reintegration to the workforce. Recreational programs including music, art therapy and cooking skills improve the quality of life and self esteem of homeless people, assisting their reintegration into society.

For over 150 years, the St Vincent de Paul Society in Australia has been working to break the cycle of homelessness. In NSW alone, Vinnies operates nearly 40 homeless services, including hostels, women's refuges and family services.

There are more than 105,000 men, women and children sleeping out in Australia each night. Alarmingly at last count, more than 34,000 of these were children.

Nearly half of the total homeless population is female. For women and children, domestic violence is the biggest cause of homelessness.

Imagine having suffered and survived the trauma of domestic violence to be left with no option but to endure life on the streets.

To make lasting change, it must be acknowledged that homelessness is the community's problem. With our help, Vinnies can turn the tide and give people the opportunities they need to rebuild their lives. Those who sponsor Steve for the CEO Sleepout will directly assist Vinnies in tackling the issue of homelessness by spreading the word and donating funds to keep homeless services like the OLC and Night Patrol alive.

- By sponsoring \$50, you can provide bedding, a meal and a fresh change of clothes for a homeless person.
- A donation of \$100 will help equip the Vinnies Night Patrol vans with the food and hot beverages brought to



homeless people across our cities every night of the year.

- A gift of \$500 will enable a homeless person to complete a lifeskills course, preparing them to re-enter the community and make a contribution to society.
- Your donation of \$1,000 will enable a survivor of domestic violence and their children to make the supported transition from a St Vincent de Paul Society refuge into independent housing.

To join the CEO sleepout or to sponsor Steve, visit the website [www.ceosleepout.org.au](http://www.ceosleepout.org.au) which becomes available at the beginning of April. ♦

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# Bank on Rudd for commercial property

THE FEDERAL GOVERNMENT'S RECENT ANNOUNCEMENT OF A \$4 BILLION LENDING FUND FOR COMMERCIAL PROPERTY WILL HELP TO PROTECT THE INDUSTRY, ACCORDING TO A LEADING ECONOMIST.

The Government will provide \$2 billion for the fund – dubbed the Rudd Bank – while the remaining \$2 billion will come from the four big banks (Westpac, the Commonwealth Bank of Australia, NAB and ANZ).

The fund aims to fill the gap left by the potential withdrawal of funding by overseas financial institutions for commercial property assets in Australia.

Frank Gelber, Chief Economist for Property at BIS Shrapnel, said foreign banks had already started to take money out of the Australian market due to the impact of the credit crisis overseas.

"They are bringing all their investments overseas back to shore up their home base," Mr Gelber told the *Real Estate Journal*.

Commercial property owners could struggle when it comes to refinancing their loans, as foreign banks may refuse to roll over debt at former levels. An estimated \$10 billion worth of loans in the commercial property sector are due for refinancing this year.

If foreign funding is withdrawn or refused, owners could be forced to sell assets and such a situation on a mass scale would see property values plummet.

Mr Gelber said the Rudd Bank fund was a good cautionary measure that would help to stop commercial property values from falling "more than they need to", as the "underlying properties are sound".

A key condition for the fund to cover a loan is that the property must be viable and all four banks as well as the Government must agree.

"Provided that they do it on a normal commercial basis, it will be all right," Mr Gelber said.

He said the fund was not designed purely to prop up property investors, but would help to ensure the viability of the commercial property sector.

"The slowdown in finance from overseas has absolutely hamstrung the property development industry," Mr Gelber said.

"They are stalling developments. We have a market that's not clearing. There are a lot of properties for sale and not enough people to buy them."

The Property Council of Australia estimates about 485,000 square

"THE SLOWDOWN IN FINANCE FROM OVERSEAS HAS ABSOLUTELY HAMSTRUNG THE PROPERTY DEVELOPMENT INDUSTRY."

metres of new space is due to enter the Sydney CBD office market in the next three years, however there are concerns that some of those new projects will be scrapped or delayed due to difficulties in securing funding.

With loans drying up, transactions fell nearly 70% in the fourth quarter of 2008 compared to the prior three months, with only \$2 billion of deals, according to consultants DTZ.

The federal government's fund would provide more certainty to commercial property investors and developers, to help ensure that the planned projects can go ahead. ♦

## Hand-outs for housing

WHAT DOES THE REAL ESTATE INDUSTRY GET FROM THE RUDD GOVERNMENT'S \$42 BILLION ECONOMIC STIMULUS PACKAGE?

In a few weeks, most workers across Australia will receive up to \$900 in their bank accounts, courtesy of the Federal Government's plan to brace the nation's economy against the world financial crisis.

The package includes a number of other hand-outs, such as funds for schools and road repairs. While the package did not include any direct initiatives for the housing industry, it did include some announcements that will have benefits for home owners and landlords:

### Green initiatives

- Insulation for homes

Home owners can receive up to \$1,600 for the installation and supply

of ceiling insulation. They can arrange for the insulation to be installed now and claim it back later, or else apply after 1 July 2009 and the government can arrange installation for them.

To apply, home owners will simply need to make a phone call – the number will be available after 1 July.

This initiative will only be available until 31 December 2011.

- Solar hot water

The Solar Hot Water Rebate has been increased to \$1,600 and the existing means test has been scrapped. It is available to all households with an existing electric hot water system that install an eligible solar hot water or heat pump system.

The rebate is available from now until 30 June 2012.

"THE INITIATIVE WILL BOOST THE SUPPLY OF PUBLIC AND COMMUNITY HOUSING FOR PEOPLE WHO ARE HOMELESS, AT RISK OF HOMELESSNESS, OR WHO ARE PAYING VERY HIGH RENTAL COSTS."

**Note:** home owners can claim for either insulation or solar hot water, but not both.

- Insulation for rental properties

Landlords can receive a rebate of up to \$1,000 to install insulation in their rental property. This rebate is available from now until 30 June 2011.

### Community housing

At least 20,000 new social housing dwellings will be built across Australia, while approximately 2,500 public housing dwellings will be refurbished so that they can remain available for occupancy.

"The initiative will boost the supply of public and community housing for people who are homeless, at risk of homelessness, or who are paying very high rental costs," the Federal Government said.

(See the page opposite for more information about homelessness and REINSW's partnership with St Vincent de Paul Society.)

For more information about the economic stimulus package, visit [www.australia.gov.au](http://www.australia.gov.au) ♦

# Dreams come true

FIRST HOME BUYERS ARE BRINGING LIFE TO THE REAL ESTATE MARKET AS THEY TAKE ADVANTAGE OF THE BEST OPPORTUNITY IN YEARS TO FULFILL THEIR DREAM OF HOME OWNERSHIP.

## HORNSBY

### Buyer

Damien Craig, 31



DAMIEN AND MEL

Damien, a warehouse worker, had already been saving to buy a property when he met Melinda, a graphic designer, and they still had some savings in the bank when they married last May.

"We just really wanted to buy," Damien said. "We had the means to. With the first home owners grant, it seemed like a good time."

Mel grew up in the area and wanted to stay locally. They found a two-bedroom house in the nearby suburb of Mount Colah and were able to make a 10% deposit.

"It's the first one we looked at," Damien said. "We really loved it

"WE JUST REALLY WANTED TO BUY. WE HAD THE MEANS TO. WITH THE GRANT, IT SEEMED LIKE A GOOD TIME."

from the first time we saw it. Our mind was made up pretty much from the start that we wanted it. It was just a matter of being able to agree on a price."

Damien spoke to the *Journal* on the day before settlement. "I'm not the kind of person that gets super excited about things, but I'm really looking forward to it," he said.

### Agent

Barry Palmer  
RE/MAX First Choice

Barry found inquiries from first home owners started to increase in mid-January.

"Before Christmas, they were in Christmas mode," he said. "Over Christmas they thought about it and started coming out. Our first open houses were in the second week of January. We were blown away by the number of people turning up. We had 180 people at 15 open houses."

The most popular choice for first home buyers in the Hornsby area, in Sydney's northern suburbs, are older-style units.

"There's starting to be a shortage of stock in the first home buyer market," he said.

Barry said that lower interest rates and increased grants were definite factors in the renewed attention from first home buyers, as well as the falls in price over recent years.

"People are starting to realise the prices have probably bottomed in this area," he said.

"OVER CHRISTMAS THEY THOUGHT ABOUT IT... WE WERE BLOWN AWAY BY THE NUMBER OF PEOPLE TURNING UP. WE HAD 180 PEOPLE AT 15 OPEN HOUSES."



## Facts on first home ownership

- First home buyers represent more than 20% of the market for the first time in six years. First timers took out 23.6% of new home loans in November, up from 19.5% in October when the grants were increased.
- Nearly 5,500 first home owners received the \$14,000 grant from the NSW Office of State Revenue in the two months after the grant was doubled from \$7,000. Only 225 have received the full \$24,000 grant that is available for new properties.
- An average home loan repayment is now \$2,056 per month, requiring just 21% of average income for Sydney and 16% for the rest of NSW, making housing the most affordable it has been in five years, according to the HIA/CBA First Home Buyer Affordability Index. HIA assumes the median loan to be \$400,000 over 30 years in Sydney and \$280,000 for the rest of NSW.
- Interest rates are at the lowest level since the 1960s, with the Reserve Bank of Australia indicating that they could 'trough' around 2% later this year.
- Rents grew by 8% in Sydney in 2008, according to the Australian Bureau of Statistics. House prices fell by 4% during the same period.
- Vacancy rates for rentals remain near historical lows, at just 1.4% in Sydney and between 2 and 3% in other areas across the state, according to REINSW's Vacancy Rate Survey.

## QUEANBEYAN

**Buyer**

Alison Watts, 38

Alison is amazed that she has been able to buy a two-bedroom townhouse, her first property.

"I never thought I would," she said. "I'm a single working mother. I work in the community sector. I never thought that owning a house would be a reality for me."

Alison had started to think about the possibility of buying her own place after her father passed away last year, leaving her enough money for a deposit. Her living circumstances were not ideal, as she found the rental house where she lived was too small to comfortably share with her 10-year-old son.

The doubling of the First Home Owners Grant was the catalyst for Alison to finally look for a place to purchase.



"I will have enough leftover [from the grant] for some renovations," she said.

At the time of writing, Alison was still awaiting settlement and could hardly wait for the keys.

And the best thing about buying her own place? "Not to have to move again," she said.

**Agent**

Michael Mallon  
Raine and Horne Queanbeyan

Michael noticed a "substantial increase" in inquiries from first home buyers as soon as the First Home Owners Grant was increased last October.

"The grant certainly enabled some to get into the market," he said.

"The other thing that has made people – who were able – to take the plunge is that rents are still quite high. A lot of people can now purchase, in some cases, paying similar to what they paid in rent."

Townhouses are the most popular choice of property for first home buyers in the Queanbeyan area, near Canberra, and couples in their 20s to mid-30s are the most common purchasers.

"Having said that, we have had one first home buyer that would be into their 50s who has taken the step for the first time," Michael said.

"The majority of the sales would be to couples. Recently I have had a run of singles. The single people buying are more often women."



"PEOPLE CAN NOW PURCHASE PAYING SIMILAR TO WHAT THEY PAID IN RENT."

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## PLUMPTON

### Buyer

Mathew Osborne, 23



MATHEW AND ASTRID

Mathew, a carpenter, lived with his girlfriend Astrid at her parents' house while saving for a deposit.

"Basically I was doing an apprenticeship, she was at uni," he said. "She did her first year of teaching. We both had a bigger income coming in. We could save up a bit more in that last year."

They were able to save up \$30,000 for a 5% deposit on a three bedroom house in Hassall Grove, where Astrid grew up and near Mathew's family in Rooty Hill.

"Then the First Home Owners Grant just helped us out with all the fees and other bits and pieces," Mathew said.

Mathew and Astrid have already repainted the house and made some renovations to the kitchen.

"We basically worked with the kitchen that was already existing,"

**"WE COULD SAVE UP A BIT MORE LAST YEAR. THEN THE FIRST HOME OWNERS GRANT JUST HELPED US OUT WITH ALL THE FEES AND OTHER BITS AND PIECES."**

Mathew said. "We added an oven and range hood, changed the taps on the sinks. We have plans to re-do the two bathrooms and laundry. I will be doing everything besides the plumbing and the electricals."

In the week since moving in, Mathew and Astrid have also bought two puppies – a Jack Russell and a Maltese Cross – to share the house with them.

### Agent

Michael Talarico  
Hilton Parkes First National

Like many agents, Michael faced a challenging market last year, especially from June to September. Then came the announcement of the increased First Home Owners Grant in early October.

"There has been a lot of increase [in inquiry]," Michael said. "The inquiry is doing quite well. It's at a steady pace. I wouldn't say they are knocking down our doors."

The main interest in the local area, in Sydney's western suburbs, has been for older houses. "Around \$300,000, some even lower," he said. "Prices are stabilising. If first home buyer demand continues, at the lower end, I feel prices will start to increase."

Properties have also received some renewed interest from investors, however land tax remained a disincentive, Michael said.



### Top 20 postcodes for first home buyers

1 November 2008 to 31 January 2009

Ranking	Postcode	Suburb
1	2170	Liverpool/Preston
2	2145	Wentworthville/Greystanes
3	2560	Campbelltown/Bradbury
4	2148	Blacktown
5	2250	Wyoming/Narara
6	2768	Glenwood/Stanhope Gardens
7	2077	Hornsby
8	2770	Mount Druitt/Hebersham
9	2150	Parramatta/Harris Park
10	2259	Wyong
11	2200	Bankstown
12	2155	Kellyville/Rouse Hill
13	2650	Wagga Wagga
14	2567	Mount Annan/Currans Hill
15	2750	Penrith/South Penrith
16	2153	Baulkham Hills/Winston Hills
17	2261	Berkeley Vale/Bateau Bay
18	2166	Cabramatta/Canley Vale
19	2761	Plumpton/Glendenning
20	2216	Rockdale

Source: NSW Office of State Revenue

## Information for first home buyers

REINSW and Mortgage Choice are presenting a series of no-obligation seminars in Sydney to help potential first home buyers better understand the property and mortgage markets.

Topics covered at the seminars include:

- market outlook;
- auction advice
- the lending process; and
- conveyancing.

If you would like to find out more about the seminars or would like information on any of the above topics, visit [www.mortgagechoice.com.au](http://www.mortgagechoice.com.au)



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# Are you neglecting your best competitive advantage?



BY NATHAN WILLIAMS

HAVE YOU EVER FOUND YOURSELF SPEAKING WITH A PROSPECT WHO APPEARS INTERESTED BUT THEN, TO YOUR SURPRISE, THEY BACK OUT AT THE LAST MINUTE? DO YOU HAVE CLIENTS YOU THINK ARE SATISFIED, BUT WHO DON'T REFER BUSINESS TO YOU? IT'S HAPPENED TO YOU, AND YOU PROBABLY DO IT TO OTHERS. SO WHY DOES THIS HAPPEN? WHAT CAN WE DO ABOUT IT?

'Why should I use you to sell or lease my property?'

This is one of the first questions I ask a real estate agent. What I mostly hear in response to this are a range of vague reasons that are proudly promoted as being a competitive advantage for their business. At the top of the list is often customer service. We know it's the right thing to say, but when pressed, it becomes apparent that there is rarely an effective system that supports this, or any convincing evidence of just how positive the customer experience actually is.

In a competitive market, many agents lack a compelling reason for prospects and clients to use their services.

Compelling reasons include 'price' and 'customer experience.' Of course, your competitors can easily copy price by reducing their commissions and slashing profitability. Only a minority of customers buy solely on price, and do you even want these clients who'll cut into your commission?

On the other hand, the customer experience – and what your prospects and clients say about

you – is a competitive advantage that cannot be copied directly by your competitors.

Your client database has extraordinary potential without having to fight for space in cluttered letterboxes. Many businesses can generate the majority of their business through referrals without engaging in ongoing expensive advertising and marketing campaigns.

So how do we generate positive word of mouth and get our prospects and clients generating more referrals for us? We need to earn the right to more business by ensuring we understand our prospects and clients and give them real value. You get the business you deserve.

## **Do you have a balanced sales and marketing approach?**

The majority of businesses spend most of their money trying to generate leads and 'build their brand' through advertising and marketing. Certainly, a percentage of this spend is necessary and justified. However, we receive thousands of messages a day through a variety of media (newspapers, TV etc) and yet we remember only a couple of these – not good odds!

Unless you're prepared to spend big money on marketing and advertising, you need to find a better way of being memorable than simply adding to letterbox-drop clutter.

It's important to remember that marketing is the sum total of relationships both before, during and after a transaction. Most

## HIGH-PERFORMING BUSINESSES ARE BRILLIANT AT PROFESSIONALLY FOLLOWING UP THEIR PROSPECTS AND CLIENTS.

businesses focus on the before, and neglect the 'during' and 'after.'

Many agencies end up with a 'top-heavy' sales and marketing process, where most of their energy goes into generating leads. While leads are obviously important, not enough priority is spent on ensuring that prospective vendors are happy with their initial dealings with you, that clients are happy during the sales process, and that referral business is generated after the sale. This is a missed opportunity, as first impressions are key. During and after the sale is when your clients are most likely to refer and recommend you if you provide a positive customer experience.

What would happen to your bottom line if you could increase your listings and generate more referral business? What could the lifetime value of your clients be? 'Perceived indifference' is why the majority of customers don't go back. High-performing businesses are brilliant at professionally following up their prospects and clients.

## **Match the promise and the reality**

Have you ever been to a business that promised a positive experience

only to be disappointed? Of course you have. Did you complain to your social circle? Most likely! This is often because businesses spend money on the 'promise' (normally the domain of the sales and marketing departments) and not the customer experience or the reality (operations, logistics etc).

While your prospective clients might initially buy into the perception created by your advertising and brand building, they are also increasingly cynical and will continue to buy based on your ability to deliver, not a TV ad or a leaflet.

If you don't have good systems in place within your business to ensure you deliver on what you promise, you could lose more than just the one customer: one satisfied client can spread the news to 10 people, a dissatisfied client will generally tell at least double that number with up to 60 people eventually hearing about the bad news. This bad news travels even quicker and further now with the help of blogs, twitter, facebook etc.

## **Find out what your customers value**

Remember that your brand is not what you (or the brochures) say about you, but what others say about you. To find out, you will need to forget your own opinions of your business and actually ask your prospects and clients what they really value in a transaction and what their experience was with you.

What every person considers to be 'value' is different: landlords and tenants may have different

motivators to prospective vendors. Some may value friendliness and knowledge, for others it may be responsiveness and professionalism; knowing the right questions and how to ask them is key.

Too many businesses make this a boring process all about them, rather than an opportunity to improve their client relationships and better understand market perception. Mailed and emailed questionnaires are often guilty of this.

Your prospects and clients, if you can get the truth from them, will tell you what you need to know. Unfortunately, very few customers will tell you exactly what they think as most people avoid any sort of confrontation and would rather 'vote with their feet'.

Complaints and feedback should be encouraged because relying on prospects and clients to proactively complain means you will only get

THERE IS BENEFIT  
IN LEARNING THE  
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INDICATOR OF YOUR  
PROFITABILITY.

a fraction of the real picture – the 'customer complaint iceberg' could be sinking your business without you knowing it! The value of positive feedback shouldn't be underestimated, either, as some of the best ideas can come from the people using your service.

Either way, the most customer-focused and high-performing

organisations understand the need for a proactive and systematic method of gathering feedback.

#### The most effective way

Any system for gathering feedback needs to be carefully considered because web and mail-based questionnaires often have low response rates and may lack sufficient detail. If you personally ask your customers the questions, will your customers tell you what they really think? This is rare, as most of us prefer to avoid confrontation.

There is benefit in learning the right questions to ask the right customers at the right time and documenting these results. After all, the satisfaction of your clients can be a leading indicator of your profitability and can indicate what your bank balance is going to look like in the future.

By proactively learning about your clients' experience in dealing with

you, you are correctly recognising them as the most important assets to your business and are on the way to achieving a real competitive advantage in the market place: happy clients who help build your business. Not only is this more profitable, it's also a much easier way of doing business.

*Nathan Williams has a Master of Management and specialises in helping businesses strengthen customer relationships for profit. He is a customer loyalty expert at Enhance Plus, a leading customer relationship consultancy.*

*For more information, contact Nathan on 0410 471 200, email [nwilliams@enhanceplus.com.au](mailto:nwilliams@enhanceplus.com.au) or visit [www.enhanceplus.com.au](http://www.enhanceplus.com.au).*

#### Special Offer

Until March 31 Nathan is prepared to offer five readers a complimentary Customer Relationship Audit valued at over \$500. ♦

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You'll constantly get "hot", qualified leads to work with, thanks to the ongoing Aussie marketing programmes **and** you'll benefit from the stability of working in a profession where customer relationships mean consistent returns. With the freedom to work the hours that suit you, reclaim your Saturdays and watch your kids play sport!

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# Real Business First will help take your business from good, to better, to best.



REAL BUSINESS FIRST WILL HELP YOU TO BETTER UNDERSTAND AND MANAGE YOUR BUSINESS, AS WAYNE STEWART FROM CENTURY 21 FIVE STAR PROPERTIES IN NEWCASTLE DISCOVERED.

REINSW has partnered with innovation experts Deloitte to provide a benchmarking tool that will help Principals excel in the way they manage their agencies.

Real Business First combines a compilation of data provided by agents about their business – such as revenue, staffing costs and administration expenses – with a powerful forecasting tool to model the financial impacts of changes to your balance sheet.

What makes Real Business First different is elimination of the repetitive data entry. The data is automatically retrieved every month, so that Principals can instantly see how their business compares to the industry average and best performers. By logging into the Real Business First online portal, agents can also see how their profits would be impacted if they adjusted aspects of their business – such as key expenses items or the number of staff – to match the top performers in the industry.

“AFTER TAKING PART IN OTHER BENCHMARKING SURVEYS, I HAVE TO SAY THAT REAL BUSINESS FIRST IS MORE PRACTICAL, MORE USER-FRIENDLY AND MORE MARKET SAVVY.”

Real Business First has already been tested by a number of agents, including Wayne Stewart, a member of the REINSW Board and Managing Director of Century 21 Five Star Properties in Newcastle.

“After taking part in other benchmarking surveys, I have to say that Real Business First is more practical, more user-friendly and more market savvy to today’s rapidly changing business environment,” Wayne said.

“Real Business first has given me the opportunity to learn how my business compares to other similar-sized businesses – not on a yearly basis but any time I want to look.”

Wayne said he was impressed that REINSW had partnered with the well-regarded and highly professional team at Deloitte for the initiative.

“Deloitte are leaders in technology and innovation,” Wayne said. “They have made Real Business

First easy to use and easy to achieve great results.”

Wayne said he was excited about the possibilities that Real Business First had opened up for his business. Even though he has only used a test version, he is confident that the benchmarking tool will help him react more quickly to industry trends in the future.

“Real Business First will give me the ability to quickly adjust my business figures by comparing variables within the benchmarking figures,” he said.

“I will also be able to gain a valuable insight into how I can improve my business figures by using the handy slide, which shows me instantly what my profit can do by improving sales revenues, and/or reducing expenses.

“I’m looking forward to using Real Business First as it moves from the test phase to an industry-wide program that I’m sure will soon become an essential part of running an agency.”

Real Business First is just \$49.50 a month for REINSW members or \$69.50 for non-members (prices GST inc.) For more information, visit [www.reinsw.com.au](http://www.reinsw.com.au) and click on the Real Business First icon.

## Attention book-keepers!

**YOU KNOW YOUR OFFICE ACCOUNTS, BUT DO YOU KNOW HOW THEY STACK UP TO OTHER AGENCIES?**

You can work with your Principal to improve the financials of your agency by taking advantage of the Real Business First benchmarking program.

Installation takes about 10 minutes. You will need to map your account classifications to the Real Business First input items the first time. Afterwards, the program will automatically retrieve most of the account information each month (while maintaining strict privacy on your figures). Some information will still need to be entered by hand, although this should only take a few minutes.

You will then be able to see how your office compares to other similar-sized agencies and can work with your Principal to improve your agency’s finances.

Work smarter, not harder, to improve your agency’s bottom line!



# WHEN THE GOING GETS TOUGH, THE TOUGH GO AUSSIE

11/17/22

## MORTGAGE BROKERS | \$\$\$\$\$\$ + BENEFITS

If the doom and gloom has seen you planning your escape, we'd like to help you with your exit strategy. At Aussie Home Loans, we're not afraid to say that we're very, very busy! With the demand from people refinancing their homes, we've found ourselves in need of experienced real estate agents to come on board as Mortgage Brokers.

Aussie offers a multi-faceted and versatile career path with more options to you:

- ▶ Receive qualified leads, access to office facilities and coaching from an experienced Sales Manager; or
- ▶ Generate your own business while accessing support from Aussie; or
- ▶ Establish your own Aussie Franchise shopfront under the Aussie Brand

You can choose which channel suits you best and move with confidence as your experience grows.

In addition to this, we will provide you with unparalleled levels of support that includes:

- ▶ An uncapped, competitive commission structure
- ▶ State of the art mortgage software
- ▶ Industry recognised accreditation
- ▶ Ongoing professional training and support.

Join the Aussie team and you will have the confidence that you are with a leading brand, capable of providing the best infrastructure and support to you in a changing market place.

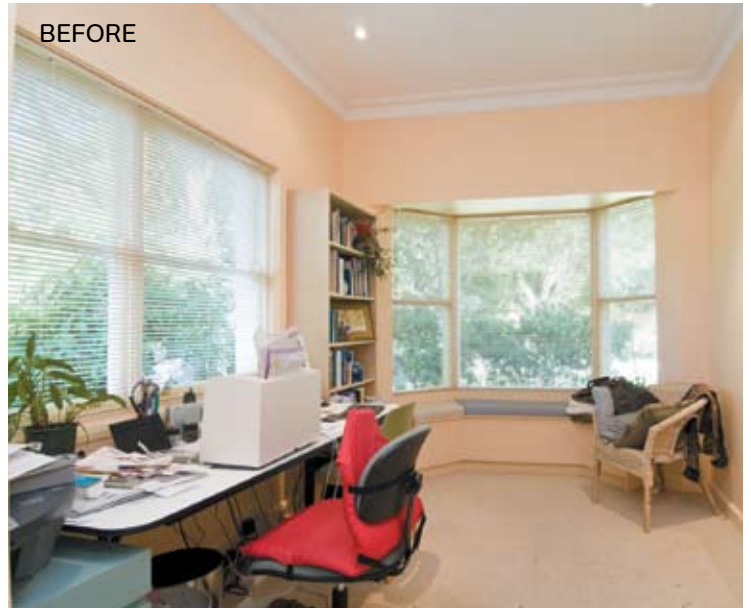
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# Stage presence



MOST PEOPLE DECIDE WHETHER OR NOT THEY ARE COMFORTABLE IN A HOME WITHIN THE FIRST FEW SECONDS AFTER ENTERING. HOME STAGING EXPERT CHRISTINE RAE RECENTLY VISITED AUSTRALIA TO SHARE HER SECRETS TO CREATING A LASTING IMPRESSION FOR POTENTIAL BUYERS.

Home staging is still a relatively new concept in Australia and has mainly been confined to the prestige property market. Christine Rae, founder of the Canadian Staging Professionals international college,

hopes to change the perception that home staging is only for the elite.

"It is a process applied to a property regardless of price, location or condition," Ms Rae told the *Journal* on her recent visit to Sydney. "We are focusing on the benefits of living in that property such as the floor plan, lighting, flow."

Ms Rae said that people buy houses emotionally. Home stagers seek to make a space come alive and create an emotional connection

to the home. This increases the marketability of a home with the aim of achieving a higher price and a speedier sale. Staged homes also look fantastic in photographs and virtual tours, attracting more potential buyers.

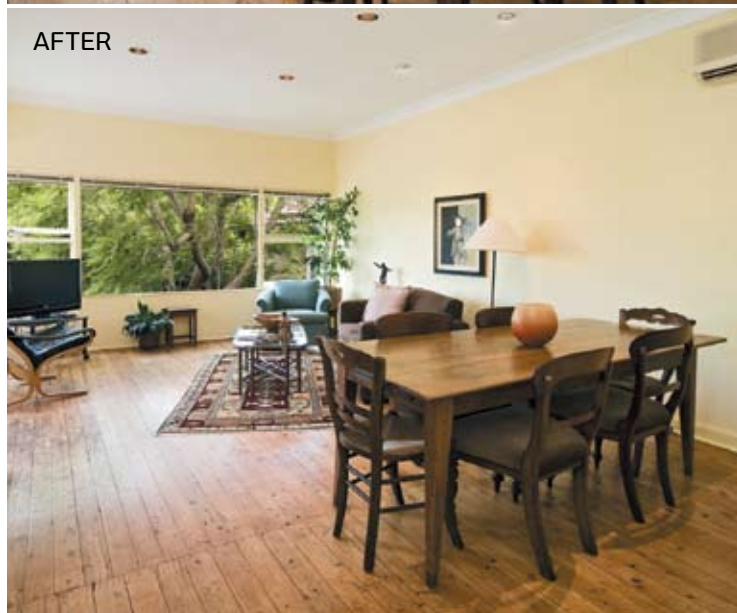
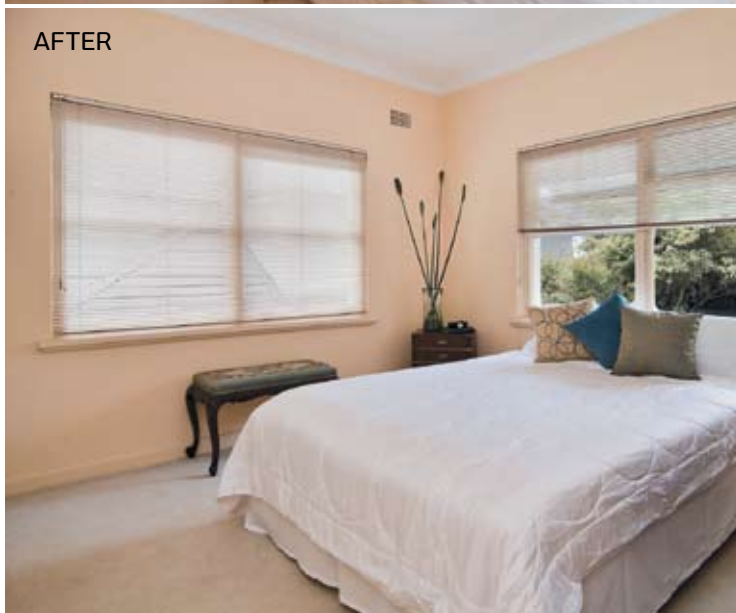
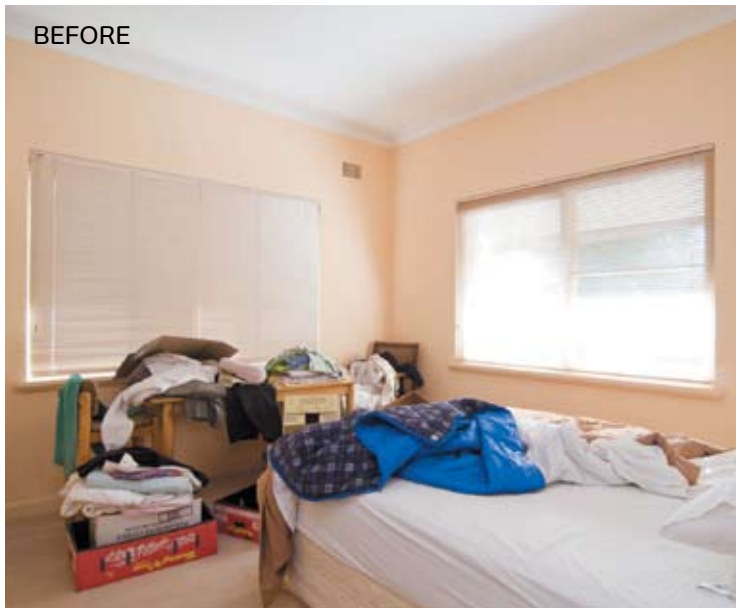
Home staging can sometimes involve renting new furniture, but that is not always necessary. "It could be that their current furnishings are sufficient with accessories and art and lighting that the stager would bring in," Ms Rae said.

She stressed that home staging is not the same as home decorating. "We're in the real estate business, not the decorating business. You are targeting a buyer. You can't do that in the same way that you would decorate to live."

Home stagers work closely with the real estate agent to ensure they are targeting the right market.

"It is targeting the buyer who is most likely to buy that property," she said. "If you are looking at a trendy

PHOTOS COURTESY OF DEEN HAMEED PHOTOGRAPHY



upscale urbanite, then having a kids' bedroom is not going to work.

"What are the emotions that we want people to feel when they come into this space? If you are in the bedroom, you want to feel relaxed; the guest room, you want to feel welcome; bathrooms, everyone wants that spa-like look."

During her visit to Sydney, Ms Rae hoped to encourage real estate agents to see the benefits of home staging.

"Unfortunately people tend to think: 'We have sold properties for years without it, so why do we need to do it?'" she said.

"Most people think: 'Can't [the buyers] see past the fact that there's red carpet?' Whatever the buyers are seeing, that's what they remember."

She pointed to an online survey of 2,000 agents in 2006 that found home staging achieved a 169% return on investment for vendors.

Home staging is fast becoming an accepted step in the sale process in North America, thanks in part to Ms Rae's training college.

"What we do is teach entrepreneurs how to start and build a successful staging business," she said. "We have 2,000 people who have gone through our program."

Two of her students were Janne Petrie and Jennelle Montgomerie, who travelled to Canada for the home staging course and have

now brought that knowledge back to Sydney, where they run their own business, Australian Certified Staging Professionals (ACSP).

Ms Rae's trip to Australia included a three-day course hosted by ACSP, where the group of students learned some practical tips for home staging and staged a home on the final day. (See pics above)

*For more information about home staging, visit [www.acsp.com.au](http://www.acsp.com.au).* ♦

# Are you a company that cares?



BY ROSLYN ALDERTON

CSR, OR CORPORATE SOCIAL RESPONSIBILITY, HAS BECOME A BUZZWORD IN BUSINESS AS CUSTOMERS AND EMPLOYEES SEEK COMPANIES THAT CARE ABOUT THE ENVIRONMENT AND THE COMMUNITY.

SO HOW CAN SMALL REAL ESTATE AGENCIES ADOPT CSR PRACTICES IN THEIR DAY-TO-DAY ACTIVITIES?

Changing values in society are shaping the way that businesses operate. Consumers are actively looking for products that are environmentally-friendly. Employees are seeking companies with flexible working arrangements and links to charity or the community. Companies that fail to adopt ethical practices are likely to fall behind.

It's more important than ever to be a 'company that cares'.

Broadly speaking, CSR refers to the positive impact that a business can have on society and the environment.

To date, the concept of responsible business practices has mainly been adopted by larger companies

as they seek to enhance their reputation as good corporate citizens. Some companies, such as Westpac and Toyota, dedicate large amounts of time and money to specialist CSR departments.

Yet CSR is just as relevant to small to medium enterprises (SMEs), which make up more 95% of all businesses in Australia and employ more than 40% of all workers.

Unlike corporations, SMEs traditionally have greater levels of trust, connectedness and responsiveness to their communities, according to Rosemary Sainty from the St James Ethics Centre.

She said it was likely that SMEs underestimated their collective power.

"What has been happening is that there has been silent CSR or silent responsible business practices," Ms Sainty said.

"They haven't necessarily been used strategically in market differentiation, in engaging their own staff, in saving money through environmental initiatives."

The St James Ethics Centre is currently conducting a research project – funded by the federal government – to assist SMEs in finding better ways of implementing CSR practices.

An early study for the project has found that the personal values of the owner/manager are a key factor for CSR in SMEs.



JOHN DERRICK, NEW SOUTH WALES ASSET SERVICES MANAGER FOR CB RICHARD ELLIS, WHICH SUPPORTS EARTH HOUR AS ONE OF ITS CSR INITIATIVES. FOR MORE INFORMATION SEE P28

The study (conducted by the Allen Consulting Group) also found that CSR needs to be part of an SME's daily operations in order to be successful.

"It's important to see these things as strategic and not an add-on," Ms Sainty said.

In the case of real estate agencies, for example, many businesses regard interaction with local community groups as a natural part of their day to day activities, whereas environmental initiatives can be regarded as extra work.

"Real estate agents have the capacity to make a significant environmental impact," Ms Sainty said. "There are a lot of ways

that they could encourage both landlords and vendors."

Ms Sainty is currently seeking real estate agents who are keen to take part in the St James Ethics Centre's research project by 'test driving' a number of CSR initiatives in May. To volunteer, contact the centre on (02) 9299 9566.

In the meantime, here are some practical ideas for implementing socially responsible practices in your agency.

#### **1) Environmental sustainability**

There are lots of simple ways that your agency can reduce its impact on the environment. You can reduce your energy use by switching off unnecessary lights

and turning off computers at night. This will not only save energy, but will also help to save money, too. You can also look at recycling paper and printing double-sided where possible.

It's also worthwhile looking at your suppliers to judge their green credentials. Australian Green Procurement lists products and services whose claims of being environmentally-friendly can be substantiated.

The organisation also provides a guide to green labels that mean the product or service has been independently assessed:

- Green Power – for energy suppliers

- Green Globe 21 – for sustainable tourism and travel
- Good Environment Choice – for consumer, building and industrial products
- Forest Stewardship Council (FSC) – for wood and paper products
- Australian Forestry Standard – for forest management in Australia
- Australian Certified Organic – for produce
- Fair Trade Association of Australia and New Zealand
- Energy Rating – mainly for whitegoods

For a full list of environmentally-friendly products and services, visit [www.greenprocurement.org.au](http://www.greenprocurement.org.au).

## 10 simple actions

Ten simple yet effective CSR actions that small businesses can take:

1. Recycle printer and toner cartridges.
2. Buy and use fairly traded products, for example tea and coffee.
3. Look at how your staff get to and from work. Promote walking, car sharing, cycling and public transport.
4. Set up a payroll giving scheme for your staff.
5. Make sure lights, computers and other equipment are switched off at the mains every night.
6. Pay staff, suppliers and creditors on time.
7. Turn the office heating system down a few degrees and have it checked regularly.
8. Replace all lighting with low energy light bulbs.
9. Print double-sided where possible and only print the first page of emails.
10. Set up and promote flexible working arrangements for your staff.

Source: *A better business journey* produced by the UK Small Business Consortium.

### 2) Community involvement

Real estate agencies are often closely involved in their local communities or in fundraising for charity. These days, it's not just about philanthropy – both the business and not-for-profit sectors expect financial returns for their investments.

Cavill and Co provide consulting services and advice for businesses who would like to establish cause-related partnerships. They recommend ensuring that your business has a shared vision with the charity or cause, with clear goals.

Another tip is that consumers perceive a partnership to be more genuine if they can see the social difference that the partnership is going to make, as opposed to the money raised.

Visit [www.cavill.com.au](http://www.cavill.com.au) to read case studies on successful cause-related partnerships.

### 3) Flexible workplace practices

Attract and retain staff by implementing flexible workplace practices. These include:

- flexible working hours – start and finish times, part time work, job sharing and 'make-up' time in rosters for employees who need to attend medical or other appointments;
- multi-skilling and job rotation, providing further opportunities for employees to advance their careers;
- flexibility with sick, carer and other types of leave;
- remote access/home-based work, allowing staff to work from home or remote locations.

You could also play a leading role in diversifying your workforce by considering options such as employing staff with disabilities. Plenty of information and assistance is available through the federal government's Job Access initiative. To find out more, visit [www.jobaccess.gov.au](http://www.jobaccess.gov.au).

#### Be genuine

When implemented properly, socially responsible practices can increase your profits and reduce staff turnover, as well as be useful promotional tools.



## First National Foundation

An example of a cause-related partnership in the real estate industry is First National's partnership with the Australian Red Cross to assist people affected by natural disasters – a cause that has proven to be particularly relevant recently, in light of the Victorian bushfires.



The First National Foundation was established to consolidate the community fundraising work undertaken by First National offices around Australia. In 2007 the foundation partnered with the Australian Red Cross in support of their REDiPlan Emergency Services program.

The project involves a series of educational initiatives designed to help households and communities around Australia prepare for, respond to, and recover from emergencies more effectively.

"A lot of these activities might, on the surface, appear to be a cost to your business," said Simon Robinson, a Senior Consultant at the Australian Centre for Corporate Social Responsibility (ACCSR).

"You might think you can't afford to have people out for half a day doing volunteer work. But if even one member of the team stays with you, it probably saves you more than half a day out."

Be warned: you can't 'fake' CSR by simply adding "green" to an advertisement or telling clients you support a particular charity.

"If it's just going to be marketing or PR, that's a mistake," Mr Robinson said. "CSR minus HR equals PR. People see through it very quickly – staff as well as customers."

**BE WARNED: YOU CAN'T 'FAKE' CSR BY SIMPLY ADDING "GREEN" TO AN ADVERTISEMENT OR TELLING CLIENTS YOU SUPPORT A PARTICULAR CHARITY... PEOPLE SEE THROUGH IT.**

On the other hand, if you are genuine in your approach, your business will benefit.

"If quality and price are equal, consumers would always make the choice that they would go with the more ethical and responsible business," Mr Robinson said.

# Case study: DEXUS Property Group

Buildings and their occupants are the source of 23% of Australia's greenhouse emissions, according to the 2008 Garnault Report and Government Green Paper. Action in our industry can make a real difference to us all.

One company that is leading the way with its approach to sustainability is DEXUS, an Australian property group that owns and manages over 260 properties worldwide.

DEXUS was recently named as one of the world's 100 Most Sustainable Corporations at the World Economic Forum in Davos, Switzerland – one of only three Australian companies to achieve this prestigious listing.

One of the award creators, the Editor of *Corporate Knights* magazine, said: "While markets go up and down, companies like the Global 100 members that prudently take care of the interests of all their stakeholders offer the best bet for society and investors in the long-term."

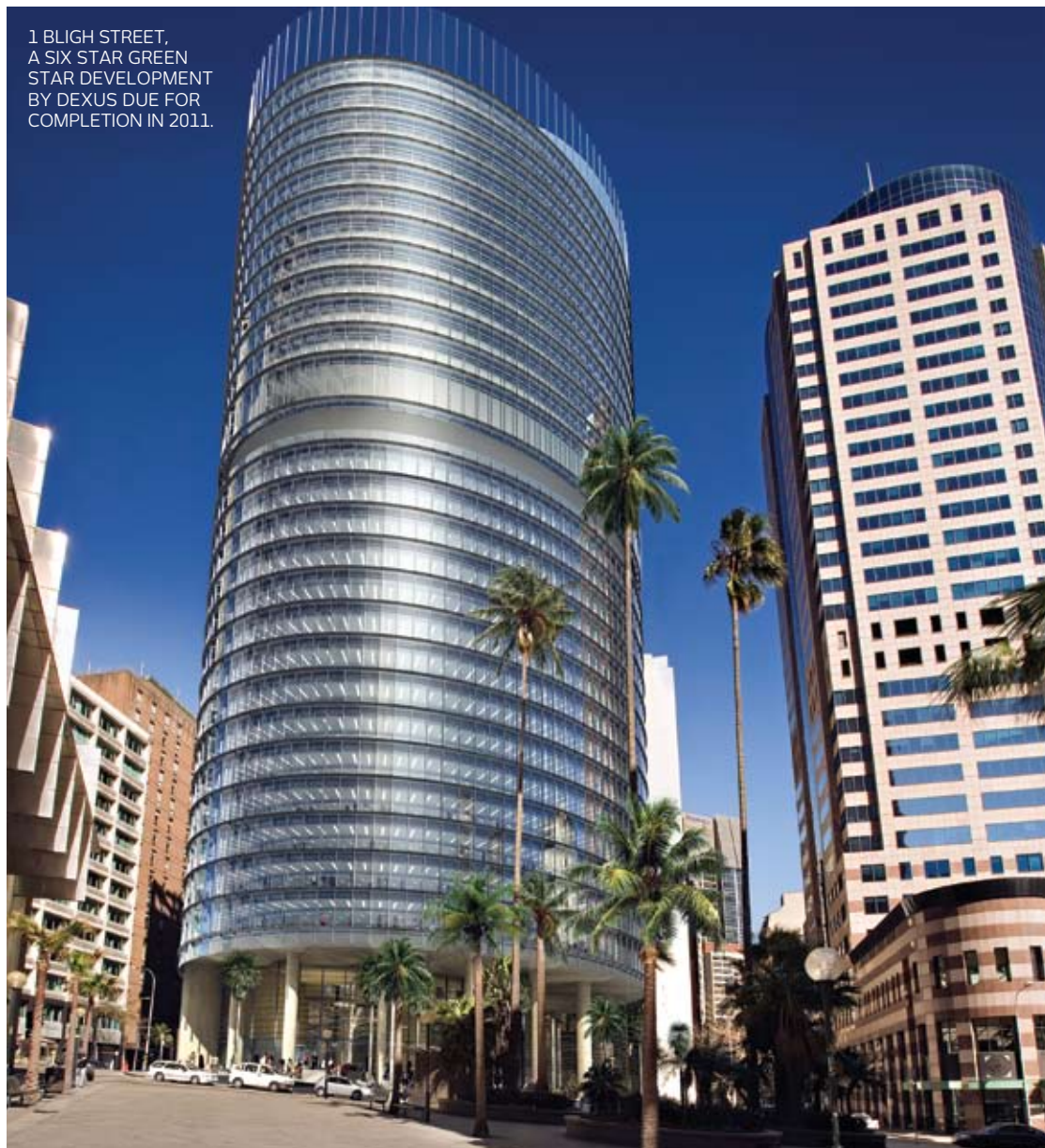
DEXUS takes a group-wide holistic approach to Corporate Responsibility and Sustainability for both its existing buildings and new developments.

"We have found that our commitment to CR&S makes good commercial sense, particularly in recent times, where we are seeing a flight to quality to buildings which deliver sustainable features," said Alex McKenna, Sustainability Manager at DEXUS.

A key objective of the group's sustainability programs is to ensure a positive return on investment.

Initiatives such as lower energy and water use can also reduce ongoing operating costs. For example, DEXUS has upgraded a 13 storey office tower in Sydney with a number of resource efficient initiatives such as lighting movement sensors, T5 fluorescent lighting, dual flush toilets and low flush urinals.

"These initiatives have resulted in a 20% reduction in energy



consumption and a reduction of 553 tonnes of greenhouse gas emissions – the equivalent to taking 120 cars off the road and a saving of over \$12,000 in electricity costs in one year alone," Ms McKenna said.

DEXUS suggests these simple measures to creating a successful corporate responsibility and sustainability program:

**1. Measure your performance** in the following key areas:

- Energy consumption (electricity and natural gas)

- Emissions (calculated from the amount of energy used)
- Water consumption
- Waste generation and recycling
- Social/charitable programs (e.g. donations, volunteering hours)

**2. Report your performance** – ensure your customers and key stakeholders understand what you are trying to achieve and report back regularly.

**3. Benchmark your performance** – compare your business against similar ones to assess how effective you are.

**4. Engage your stakeholders.**

For example, a number of DEXUS office properties have sustainability committees with the tenants to develop and implement improvement plans and monitor progress. Don't forget your employees, who play an important role in delivering your own sustainability objectives and who are ambassadors for your customer initiatives.

**5. Continuous improvement**

– identify areas to reduce your resource use, waste and emissions and continuously measure your progress. ♦

# REINSW Training Calendar

APRIL/MAY 2009

## APRIL

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	WEEKEND
		1 APR <b>SYDNEY</b> Maintain Trust Account F/T (starts) <b>PARRAMATTA</b> Young Agents Forum	2	3	4/5
6 <b>SYDNEY</b> Experienced Agents Licensing Course	7 <b>SYDNEY</b> Profile Building	8	9	10 Good Friday	11/12 Easter
13 Easter Monday	14	15 <b>RESIDENTIAL SALES</b> CPD Conference	16 <b>BATHURST</b> Recession Proof Business Strategies <b>BATHURST</b> Experienced Agents Licensing Course	17 <b>SYDNEY</b> Business Agents Forum	18/19
20 <b>SYDNEY</b> Course in Property Practice F/T (starts)	21 <b>SYDNEY</b> Setting up your agency	22	23 <b>PARRAMATTA</b> Property Management Forum <b>MILDURA</b> Recession Proof Business Strategies <b>MILDURA</b> Experienced Agents Licensing Course	24	25/26 Anzac Day
27 <b>SYDNEY</b> Course in Property Practice F/T (starts)	28 <b>GOSFORD</b> Recession Proof Business Strategies <b>GOSFORD</b> Experienced Agents Licensing Course <b>SYDNEY</b> Business Relationship Intelligence	29	30 Awards for Excellence entries close		

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## MAY

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	WEEKEND
4 MAY	5	6	7	8	9/10
<b>SYDNEY</b> Experienced Agents Licensing Course		<b>DUBBO</b> Recession Proof Business Strategies		<b>COMMERCIAL</b> CPD Conference	
<b>SYDNEY</b> Course in Property Practice F/T (starts)		<b>DUBBO</b> Experienced Agents Licensing Course			
11	12	13	14	15	16/17
<b>SYDNEY</b> Course in Property Practice F/T (starts)	<b>SYDNEY</b> How to have a compliant agency		<b>NEWCASTLE</b> Recession Proof Business Strategies		
	<b>NEUTRAL BAY</b> Auctioneers Forum		<b>NEWCASTLE</b> Experienced Agents Licensing Course		
18	19	20	21	22	23/24
<b>SYDNEY</b> Course in Property Practice F/T (starts)	<b>SYDNEY</b> Recession Proof Business Strategies	<b>CANBERRA</b> CPD day 1	<b>CANBERRA</b> CPD day 2		
			<b>SYDNEY</b> Holiday & Short Term Rental Conference		
25	26	27	28	29	30/31
<b>SYDNEY</b> Course in Property Practice F/T (starts)	<b>SYDNEY</b> Setting up your agency				
<b>CANBERRA</b> Course in Property Practice F/T (starts)					

- CPD Workshops (Sydney metro) \$199/\$245
- CPD Workshops (Regional) \$199/\$245 NSW
- Course in Property Practice start dates (full and part time as noted) \$510/\$645
- Experienced Agents Licensing Course (available in business \$999/\$1499, real estate \$1499/\$1999 and stock & station \$2499/\$2999 categories)
- Maintain Trust Account full time \$599/\$699
- Forums \$25/\$50

Prices are indicated as member/non-member and GST inclusive

All CPD workshops are delivered under the broad learning categories outlined in the Commissioners Guidelines for CPD and will entitle the user to 12 points.

- 4 hour workshops are delivered under Learning Category 3 with assessment
- 6 hour workshops are delivered under Learning Category 2

# Bottom line

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# Empty space

# COMMERICAL

BY ROSLYN ALDERTON

WITH OFFICE VACANCIES ON THE RISE AND SUB-LEASING INCREASING, LANDLORDS AND TENANTS WILL NEED TO BE MORE PROACTIVE AS THEY ADJUST TO THE NEW MARKET CONDITIONS OVER THE COMING MONTHS.

Commercial agents didn't need to see the latest figures from the Property Council's *Office Market Report* to know that vacancies are on the rise, with the global economic crisis causing companies to shed staff.

The figures showed the vacancy rate in the Sydney CBD rose to 5.4% in January, up from 4.3% six months earlier. The city experienced negative demand of more than 40,000 sq m, the weakest result in five years.

Gavin Martin, Regional Director of Tenant Representation for Jones Lang LaSalle, has been approached by numerous clients in recent months seeking advice on how to renegotiate their leases now that they have less staff.

"I joked the other day that I wanted to rename my department the R&D Department: the Restructure

"I JOKED THE OTHER DAY THAT I WANTED TO RENAME MY DEPARTMENT THE R&D DEPARTMENT: THE RESTRUCTURE AND DOWNSIZE DEPARTMENT."

and Downsize Department," Mr Martin said.

"If you worked on the theory of 10 sq m per person, every time one person loses their job, that's 10 sq m now onto the market. That would mean that 500 job losses works out to be 5,000 sq m of space."

In reality, the equation is not so simple, due to the fact that most redundancies tend to be spread throughout a company's departments.

"It doesn't automatically mean that you have these swathes of space available," Mr Martin said.

"Lots of offices have pockets of space that are empty. They have spare

capacity on the floor [but] it doesn't make sense to put it on the market."

The small areas of space that do come onto the market are increasingly being sub-leased by tenants who are seeking to offset the cost of renting space they no longer require.

The Property Council figures showed sub-leasing in the Sydney CBD jumped from 0.5% to 1.1% over the six months to January 2009 – about the same level as the historical average – with industry experts expecting this figure to rise over the coming months.

Nearly 80,000 sq m of sub-leased space was being actively marketed in the Sydney CBD.

"When you are dealing with four-and-a-half million square metres of

THE SMALL AREAS OF SPACE THAT DO COME ONTO THE MARKET ARE INCREASINGLY BEING SUB-LEASED BY TENANTS WHO ARE SEEKING TO OFFSET THE COST OF RENTING SPACE THEY NO LONGER REQUIRE.

stock, in percentage terms it's not too bad," Mr Martin said.

"You could probably count on one hand the opportunities of sub-lease space that are the size of 5,000 to 7,000 sq m. The majority of the sub-leasing tends to be 1,000 or 800





sq m. You are not finding 10,000 sq m chunks of space. Typically a company says I have two floors, I only need one and a half floors.”

Sub-leased space tends to be leased at cheaper rents on shorter terms as desperate tenants try to cover their costs, putting downward pressure on rents across the market.

Sara Pratt, Director of Office Leasing for Knight Frank, said incentives were likely to increase as landlords try to attract new tenants or hold onto existing tenants.

“When you get down to incentives, it comes down to the drivers of the landlord and their individual needs,” she said.

“Some landlords are under extreme pressure. A lot of the major players are unable to offer capital [as an

incentive]. They have to offer rent-free periods or reduced rents.”

#### **Suburban markets holding up well**

While vacancies are generally on the rise, the challenge is greater in the Sydney CBD than in the suburban office markets, which have held up well despite the economic crisis.

The sectors that have been hardest hit by the crisis – banking, finance and property – are mainly located in the Sydney CBD. Other sectors, such as IT and telecommunications, have been less affected by the crisis and these tend to be located in markets such as North Ryde, Parramatta and North Sydney.

Demand for office space in North Ryde was the second highest in the country over the six months to January, with more than 58,000

#### **Advice for landlords**

Landlords will need to be more proactive with their existing tenants, according to Sara Pratt, Director of Office Leasing at Knight Frank.

“Tenants will be inclined to stay put if they can get an attractive deal,” Ms Pratt said. “A tenant in a sitting building and a new tenant are going to get the same lease incentives.”

She encouraged landlords to initiate discussions with their tenants, especially if the tenant is looking at restructuring their business. “The earlier, the better,” she said.

If space does become available, landlords and agents will need to work harder to attract new tenants, given the lack of demand at the moment.

“If there’s been a fitout or if you can improve the existing fitout, that’s going to make it much more attractive to an incoming tenant,” she said. “It’s cost efficient and it’s timely. Quite often tenants leave [their decision] quite close to the end. If they are a bit short of time, they want something with a fitout they can plug and play.”

The sub-lease market will provide increased competition for smaller areas of space, providing an advantage to buildings with more floors available.

“One segment of the market that will be less impacted by this rising incentive/falling rental pressure will be those buildings that are able to offer large amounts of contiguous floor space of 4,000 sq m and above,” said Knight Frank’s state Director of Office Leasing, Peter Ferguson.

“There are only a limited number of opportunities in this segment and demand will prevail for this space.”

#### **Advice for tenants**

Tenants looking to re-negotiate their leases need to be realistic about their chances of recovering costs, said Gavin Martin, Regional Director of Tenant Representation for Jones Lang LaSalle.

“We will say: ‘Let’s have a look and see how many years you have left on your lease. Let’s see the options you have available.’ They can sub-lease the space for the rest of the term. They can sub-lease for the short-term. They can talk to the landlords about surrendering the space and handing it back. They can also restructure the lease. They might go to the landlord and say: ‘We will give you another five years of income but we want you to take the extra space back.’ It’s case by case.”

He said he did not view sub-leasing as a competitive threat to Jones Lang LaSalle’s leasing managers.

“From our perspective, far from it being competition, we can turn to the tenant and say: ‘We do have a leasing team that will take on board the space and try to get rid of it for you.’”

He is currently advising clients not to be too fussy when accepting sub-leased tenants, as it is better to get some income – even if it doesn’t cover their costs – than to keep paying for empty space.

“The whole exercise is about cost recovery,” Mr Martin said.

“We have got guys sitting there paying 100 grand a month in rent for something they are not using. Every month that goes by costs them 100 grand.

“I’m turning around to the tenants and saying: ‘The cup ain’t half-full, it’s half-empty. A dribble in the cup is better than nothing.’ It’s income today with cost recovery. Things aren’t going to get better overnight.”

sq m of space taken up. New developments can hardly keep up, with more office space added to North Ryde than the combined total of all other NSW office markets during the period.

The North Sydney market also bucked the trend, with vacancies actually falling.

"North Sydney is a multi-faceted market," Ms Pratt said. "Where the demand is coming from is generally within our own market – tenants looking to relocate because they have become too big or small for their existing space."

Newcastle enjoyed record demand, however record supply entered the market at the same time, driving up the vacancy rate.

**"IT'S JUST A BIT TOUGH TO GET PEOPLE TO COMMIT. THE DISTURBANCE FACTOR ALONE IS ENOUGH TO PUT THEM OFF."**

Meanwhile in the Sydney CBD, agents believe the situation is likely to get more challenging. Mr Martin expects vacancies to rise further and demand to remain low, as companies do not want to spend the capital on relocating staff or paying for a fitout.

"It's just a bit tough to get people to commit," he said. "The disturbance factor alone is enough to put them off. But there's stuff out there that is leasing. There always will be." ♦

## Office market facts

### Sydney CBD

Vacancy rate: 5.4%, up from 4.3%  
Net absorption: -40,413 sq m

### North Ryde

Vacancy rate: 9.8%, up from 8.7%  
Net absorption: 58,117 sq m

### North Sydney

Vacancy rate: 8.3%,  
down from 8.6%  
Net absorption: 21,909 sq m

### Parramatta

Vacancy rate: 10.1%,  
up from 7.3%  
Net absorption: -6,426 sq m

### Newcastle

Vacancy rate\*: 10.0%, up from 6.0%  
Net absorption\*: 12,801 sq m

### Wollongong

Vacancy rate\*: 7.9%, up from 5.0%  
Net absorption\*: -2,945 sq m

Source: Property Council of Australia  
Figures for six months to January, 2009  
\*over 12 months

# Commercial and Industrial Agents

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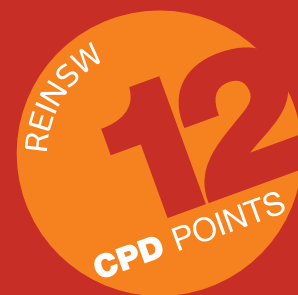
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Commercial Property Conference II –  
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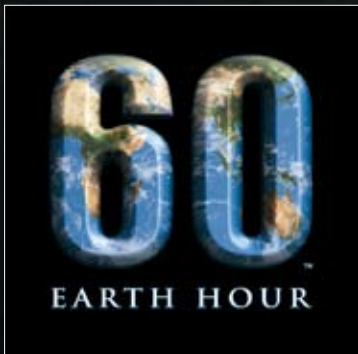
... to dream more than others think is practical

... to expect more than others think is possible

REINSW AWARDS FOR EXCELLENCE 2009

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# Earth Hour



THE PROPERTY SECTOR CAN PLAY A SIGNIFICANT ROLE IN RAISING AWARENESS OF CLIMATE CHANGE BY ENCOURAGING CLIENTS TO SWITCH OFF THEIR LIGHTS FOR ONE HOUR ON SATURDAY, 28 MARCH.

The concept of Earth Hour is simple: switch off your lights and electrical appliances for one hour to show that small actions in day-to-day life can make a big difference to the environment.

The initiative began in Sydney two years ago, driven by conservation organisation WWF. Approximately 2.2 million people took part in that first Earth Hour. Last year Earth Hour spread to 50 million people in 370 cities around the world. This year, Earth Hour aims to reach one billion people in more than 1,000 cities.

Support from businesses has been critical to the success of Earth Hour. The property sector in particular

has a key role to play by assisting tenants in commercial buildings to switch off their power.

CB Richard Ellis helped to co-ordinate Earth Hour for more than 150 managed properties last year and hopes to involve more than 200 this year.

"Clients fall into three categories: a few who aren't interested, most who are supportive and those that are actively pursuing Earth Hour," said John Derrick, CBRE's NSW Asset Services Manager.

"Generally the larger corporate clients are very keen on environmental sustainability. Some actively drive the process whilst others leave arrangements up to us."

Mr Derrick said turning off the lights in buildings was not technically demanding, but there can be some issues for older buildings. It certainly

requires co-ordination between landlords, tenants, technical services staff and building supervisors to make sure that no one forgets on the night; the effect can be spoiled by having just one floor of an office tower with the lights still on.

"We make sure that the cleaners are informed as well," Mr Derrick said. "They are normally the ones that switch the lights off although for Earth Hour we ensure back-up arrangements are in place."

For tenants with 24-hour operations, CBRE discusses ways to reduce their energy use for Earth Hour.

"They are normally very supportive," he said. "They will do what they can. Some even think about taking the hour off."

Few clients refused to participate and that was usually due to practical difficulties in implementing the power switch-off, Mr Derrick said.

SUPPORT FROM BUSINESSES HAS BEEN CRITICAL TO THE SUCCESS OF EARTH HOUR. THE PROPERTY SECTOR IN PARTICULAR HAS A KEY ROLE TO PLAY.

CBRE's support of Earth Hour has helped to spread the movement across the globe, with CBRE's locations in London, Los Angeles and New York also taking part.

At the time of writing this article, more than 60 countries around the world had already registered to join Earth Hour this year.

*If you would like to get involved with Earth Hour, visit [www.earthhour.org/australia](http://www.earthhour.org/australia) to register your business and show your support. ◆*



MAIN: SYDNEY AFTER 8.20PM, 29 MARCH 2008.  
INSET: SYDNEY BEFORE EARTH HOUR, 29 MARCH 2008.



## Frequently asked questions

### What do I need to do for Earth Hour?

Turn off your lights and any non-essential electrical appliances between 8.30pm and 9.30pm on Saturday, 28 March 2009.

### How much CO<sub>2</sub> will be saved during the event?

While WWF cannot measure exactly how much greenhouse gas emissions will be avoided during Earth Hour 2009, the event's aim is to create a public show of support for the world's leaders to create an international agreement to combat climate change at the UN Climate Change Conference in Copenhagen in December.

### How can businesses participate?

The commercial sector (business, administration and services) accounts for 10% of all Australia's greenhouse gas emissions.

WWF encourages all businesses to participate in Earth Hour 2009 and to inform all employees and customers that the organisation is taking part.

WWF also encourages businesses to implement energy efficient initiatives – such as using 100% renewable energy – on an ongoing basis.

## Gold Fields House

One of the most prominent buildings in the Sydney CBD skyline is Gold Fields House, a 25-level office tower at Circular Quay, facing out towards the harbour.

Building managers CBRE were already enthusiastic about joining Earth Hour, however the location of Gold Fields House placed extra pressure on ensuring that the lights went out, as the building would be front and centre in almost all photos of the city skyline.

"You will be the talking point the next day if your building is lit up like a Christmas tree [during Earth Hour]," said CBRE's Craig Lambert, who manages Gold Fields House.

He said that Earth Hour required a planned approach for the building. "Quite often you will find that older buildings are not really set up to just switch off electricity – especially to common areas."

"We have a security guard and an electrician on site for the duration. The electrician isolates common area lighting circuit breakers and then has to bring the electricity supply back on slowly – you can't just flick a switch. There's a bit of expense involved for the building owner to do this; but our owner is very supportive of this initiative."



## Team effort

RICHIE THORNTON  
LJ HOOKER TAMWORTH

CORPORATE SOCIAL RESPONSIBILITY IS NOT JUST A CONCEPT FOR BIG BUSINESS. RICHIE THORNTON AT LJ HOOKER TAMWORTH SPOKE TO THE *JOURNAL* ABOUT THE WAYS THAT HE LOOKS AFTER HIS TEAM AND HIS COMMUNITY.

When Richie Thornton opened his agency 24 years ago, he had just three staff. Now he has 20 staff and a progressive business with close ties to his local community.

His office is a good demonstration of the way that Corporate Social Responsibility can be implemented in a small business. Richie's primary focus is on his staff, ensuring that his workplace culture is positive and that his staff have the highest levels of customer service.

Significantly, Richie makes sure he leads by example. "I never ask anyone to do anything I won't do myself," he said.

### Workplace culture

Richie said he believed the key to ensuring a good workplace culture in a real estate agency was to develop co-operation instead of competition amongst the staff. For example, the agency has "strict rules" about sales agents competing against each other for listings.

"If you are going to allow that sort of thing to carry on and do nothing about it, it's just going to get worse," he said.

"It's already a competitive industry. Our role [as principals], I believe, is to find good people and make them better."

**"EVERYONE KNOWS THE DIRECTION WE ARE HEADING. EVERYONE KNOWS THE BUDGET WE ARE TRYING TO ACHIEVE ... IF ANYTHING, WE ARE BORDERING ON BEING TOO OPEN."**

He holds regular team meetings that include the whole office – sales agents, property managers and administration staff.

"Everyone knows the direction we are heading," Richie said. "Everyone knows the budget we are trying to achieve. No one has to question what everyone has done for the month. They all hear it at the end of the month ... If anything, we are bordering on being too open."

He encourages interaction between the sales and property management departments. "We work overtime on that," he said. "We have more co-operation between those two departments than you could believe. We are not running 'them and us'. The sales

people have confidence in the property managers and vice versa."

In addition to all-staff meetings, Richie also has one-to-one meetings.

"Everyone has an individual goal," he said. "They know exactly where they are up to with that every month."

Richie also ensures that everyone in the office wears a uniform, regardless of their job position.

"We're very strict in terms of presentation," he said. "I don't want to sound like a school master, but I know the importance of that, of the impression that it gives."

One of the results of the efforts for his workplace culture is that staff turnover remains low. In fact, staff usually only leave because their partner has been transferred to another location. If a staff member is leaving for this reason, Richie seeks to find them a job at another LJ Hooker office in their new area.

The positive workplace culture also ensures that customers are treated well.

"We have a 'customer for life' policy," he said. "You have to find ways of making sure that happens. The whole culture of the office is based on good systems and making people better at what they do."

**"WE'RE VERY STRICT IN TERMS OF PRESENTATION. I DON'T WANT TO SOUND LIKE A SCHOOL MASTER, BUT I KNOW THE IMPORTANCE OF THAT, OF THE IMPRESSION IT GIVES."**

### Community involvement

Staff also work together for a common cause as they raise funds for Cystic Fibrosis Australia, the partnership charity for the LJ Hooker group.

"To date we have raised in excess of \$90,000 for cystic fibrosis," Richie said.

The funds have mainly been raised through selling products specific to the charity, such as pens and wrist bands.

"If you have a whole heap of product for cystic fibrosis, it's pretty hard to go out and sell \$10,000 worth of things that are 50 cents," Richie said. "We got to thinking: 'How can we do this better?' We just looked at ways of trying to maximise that fundraising. We came up with a formula that worked by engaging the wider community."

Richie's team get on the phones and speak to local businesses, their own suppliers and other community groups. They sell an entire box of





RICHIE THORNTON AND HIS TEAM PREPARING TO LEAD OFF THE START OF THE CYSTIC FIBROSIS GREAT ESCAPE IN HIS MG

cystic fibrosis fundraising products to that local business, who recoups the money by selling the products to their customers.

One of the benefits of the system is that it encourages all staff members – not just the sales agents – to try their hand at selling and gives a morale boost to everyone.

In addition to the cystic fibrosis fundraising, LJ Hooker Tamworth also organises charity golf days and sponsors a local TAFE award, the local bowling club and other sporting teams.

Richie has previously been both Secretary and President of his local REINSW division, as well as President of the Tamworth Chamber of Commerce and Director of the Tamworth Development Corporation. He is currently on the committee for the Tamworth Country Music Festival as well as the City Centre Working Group Committee.

**“YOU HAVE GOT TO BE EFFICIENT. YOU CAN’T BE EFFICIENT BY WORKING HARDER ... YOU ARE JUST GOING TO BURN OUT. IT’S ABOUT WORKING SMARTER, NOT HARDER.”**

Richie said he believed his community involvement was the right thing for a local business to do.

“You are living off the community for your income,” Richie said. “It’s only fair to put something back in.”

#### **Forward thinking**

In addition to his focus on his team and the community, Richie believes it is critical to keep his office up-to-date with the latest technology.

“Today you have got to be efficient,” he said. “You can’t be efficient by working harder. If you work too hard you are going to just burn people out. It’s about working smarter, not harder.”

He has always kept his agency at the cutting edge of technology. He was the first fully computerised agency in Tamworth and was quick to adopt developments such as SMS and digital window displays.

“I have told all our sales staff: ‘We’re in real estate. We have to get on the front foot to our clients if there’s a good buy.’ I expect our suppliers to do the same for us. If there’s a new idea, give it to us.”

As part of his responsible business practices, Richie recently took advantage of REINSW’s Compliance Review Service so he could be sure his office processes were legally compliant. The service

also provided best practice advice for how he could do things better.

The proof that Richie’s approach to his agency is working is the longevity of his business. Despite the ups and downs of the market, his agency continues to remain profitable and successful.

“What I still enjoy most is seeing the Solds and Leased signs go on properties and the resultant relief and smiles on our client’s and customer’s faces,” Richie said.

“I will never tire of seeing them achieve their goals. All the systems, processes and procedures we implement – while important and satisfying – all work toward client and customer satisfaction. The tools we have available to us today compared to when I first started put an agent in a position to provide quality service and information to clients and customers if embraced and used correctly.” ♦

# PROPERTY MANAGEMENT: Understanding land tax

PROPERTY MANAGERS ARE WELL AWARE OF THE FRUSTRATION EXPERIENCED BY LANDLORDS WHEN THEY RECEIVE THEIR LAND TAX BILLS. HERE'S A GUIDE TO HOW LAND VALUATIONS WORK AND WHAT TO DO IF YOU OR A CLIENT WISH TO MAKE AN OBJECTION.

NSW Valuer-General Philip Western knows that land tax is unpopular and that valuations have frequently come under scrutiny in the media, but he's not afraid of criticism. In fact, he recently attended a meeting of the REINSW Property Management Chapter Committee to answer queries about the latest round of land tax bills.

"We're basically producing 2.4 million valuations every year," Mr Western told the meeting. "This is my fifth year as Valuer General. I have been brought in to fix the valuation system up and get it right, to get information out there so people can understand valuations and to make the valuations more accurate and consistent."

Mr Western said there was a clear distinction between his office –

which produces the land valuations – and the NSW Government, which sets the land tax policy.

"My office sits totally independent of Government," he told the meeting. "All we do is provide the valuations to the Office of State Revenue."

**How does the Valuer General come up with land values?**  
NSW has a mass valuation system.

"Obviously we can't go and value 2.4 million parcels of and individually every year," Mr Western said.

"We basically group the prop-erties into groups which we call components. These are groups of properties that are likely to move by about the same amount in the market.

"Within these groups of components we have what we call benchmark properties. These will be dispersed right throughout that component. Valuers will value these properties individually and update that component."

Values that are significantly higher or lower than the majority of properties are individually verified.

During the valuation process, valuers analyse sales of both vacant land and improved properties, making adjustments for the added value of improvements.

"The valuers that work for us are on a contract basis," Mr Western said. "They are private valuers with experience and knowledge of the real estate market in local areas. We have a rigorous process of assessing the valuers."

**Why has my land tax bill gone up so much, even though property prices in the area have fallen?**

The overall increase in land values across NSW for the most recent valuation period was 3.3%, however some areas have increased or decreased at much greater rates.

Mr Western said part of the problem was that some areas are still catching up from land values that were previously too low.

DURING THE VALUATION PROCESS, VALUERS ANALYSE SALES OF BOTH VACANT LAND AND IMPROVED PROPERTIES, MAKING ADJUSTMENTS FOR THE ADDED VALUE OF IMPROVEMENTS.

In October 2005, the NSW Ombudsman said the valuation system was producing some values with "unacceptable margins of error" and made 38 recommendations to help fix the problems.

Following the Ombudsman's report, Mr Western embarked on a five-year project to review every valuation in the state.

"We're about two-thirds of the way through this project examining and adjusting both individual valuations and associated data," he said.

Top 5 metro residential increases			Top 5 regional residential increases			Top 5 coastal residential increases					
	Change	Median land value		Change	Median land value		Change	Median land value			
1	City of Sydney	+14%	\$450,000	1	Urana	+91%	\$4,800	1	Tweed	+14%	\$252,000
2	Marrickville	+14%	\$363,000	2	Broken Hill	+49%	\$29,800	2	Byron	+13%	\$316,000
3	Waverley	+13%	\$944,000	3	Guyra	+35%	\$53,000	3	Pittwater	+5%	\$594,000
4	Ashfield	+13%	\$478,000	4	Tumbarumba	+18%	\$31,200	4	Coffs Harbour	+3%	\$160,000
5	Woollahra	+11%	\$1,470,000	5	Richmond Valley	+12%	\$86,200	5	Shoalhaven	+1%	\$155,000
Bottom 5 metro residential decreases			Bottom 5 regional residential decreases			Top 5 rural increases					
	Change	Median land value		Change	Median land value		Change	Median land value			
1	Liverpool	-8%	\$221,000	1	Temora	-8%	\$45,000	1	Cobar	+67%	\$4,000
2	Campbelltown	-6%	\$149,000	2	Corowa	-5%	\$72,800	2	Broken Hill	+64%	\$44,700
3	Canterbury	-2%	\$334,000	3	Goulburn	-5%	\$89,400	3	Guyra	+39%	\$255,000
4	Camden	-1%	\$194,000	4	Wellington	-5%	\$27,800	4	Kyogle	+38%	\$234,000
5	Auburn	-1%	\$294,000	5	Cessnock	-4%	\$108,000	5	Narrendera	+28%	\$304,000

Source: Office of the NSW Valuer General. Values at 1 July, 2008 compared to 12 months' prior.

OWNERS OF RENTAL PROPERTIES ARE  
OFTEN CONFUSED AND FRUSTRATED  
ABOUT THEIR LAND TAX BILLS.



In the process, some areas have experienced spikes in land values. "A lot of those with a huge increase are coming off a very low base," Mr Western said. "Some of them are coming off \$20,000 and now we're saying \$40,000. That's a 100% increase. Broken Hill has had an increase in the median residential land value for the last two years of around 270%."

Another factor for unexpectedly high land tax bills is that the tax is based on the average value of the land over the previous three years. This has resulted in owners in some areas – where land values have fallen – facing higher land tax than if the bill was based on one year's result alone. While this may be frustrating for many owners, it is a result of Government policy rather than inaccurate valuations.

CONTINUED OVER

## 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.

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**AON** RISK SERVICES

In some cases, the problem may also be due to the fact that land tax is based on the values of land at 1 July the previous year. It may well be that the local property market has changed since that time, however that does not change the way the tax was calculated.

#### Who has to pay land tax?

Land tax usually applies to people who own investment properties or holiday homes, where the property is not used as a principal place of residence and the land is not used for primary production. Land tax only applies if the total value of the land exceeds the threshold, which for 2009 is \$368,000.

The land tax assessment is calculated on the combined value of all the taxable land the person owns above the threshold. The rate of tax is \$100 plus 1.6% of the land value above the threshold.

If the total taxable land value is above \$2,250,000, a premium land tax marginal rate of 2% applies.

#### What can I do if I want to object to my land tax valuation?

Property owners who wish to object to the valuation of the land can lodge an objection with the Valuer General.

Mr Western recommends that owners first visit the website [www.lands.nsw.gov.au/valuation](http://www.lands.nsw.gov.au/valuation) to download an objection kit. The website also includes a new function where you can enter your address and pull up the sales that were used in that location to value the property. You can also see land valuations for the past three years.

Owners can also ring a call centre on 1800 110 038.

Mr Western said an objection can only be considered if the

IN SOME CASES, THE PROBLEM MAY ALSO BE DUE TO THE FACT THAT LAND TAX IS BASED ON THE VALUES OF LAND AT JULY 1 THE PREVIOUS YEAR.

owner believes the valuation was incorrect compared to recent sales in the area, not compared to valuations from previous years. If the objection is valid, then the land value will be reviewed and a decision issued.

If the owner objects because they can't afford to pay, they will need to speak to the Office of State Revenue.

If they object because they disagree with the NSW Government's policy on land tax, that is an issue they need to raise with the NSW

Government, their local political representatives or an industry association such as REINSW.

REINSW believes land tax is a major disincentive to property investment, with President Steve Martin and CEO Tim McKibbin raising this concern in talks with the NSW Government and Opposition.

Mr Western told the property managers' meeting that he was aware of REINSW's concerns, however he played no part in determining government policy on the tax. Instead, he remained focused on improving the valuation system.

"It's really important that we get the system right," he said.

For more information on land values, visit [www.lands.nsw.gov.au](http://www.lands.nsw.gov.au). For more information about land tax, visit [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au). ♦



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# STRATA MANAGEMENT: New to strata



BY ASHLEY BASSA

ASSIST NEW OWNERS TO UNDERSTAND THEIR STRATA SCHEME BY PROVIDING THEM WITH AN INFORMATION PACKAGE AND TALKING TO THEM REGULARLY.

The Federal Government's stimulus package for first home buyers has seen an increasing trend towards apartment living. Not surprisingly, many of these intrepid owners may not have experienced the incessant wonders of strata living – its petty rivalries, bickering and capricious nature.

Nevertheless, the dexterous strata manager is a thick-skinned egalitarian who believes that it is possible to have a utopian outlook in every strata complex that they control, manage and administrate.

Owners new to strata living do take up a considerable amount of time, multiply this by the 50 to 100 strata managements within the one manager's portfolio and this can equate to a monumental exercise in futility. However, there is light at the end of the tunnel!

### So what do you do?

Leading strata agencies all have policies, procedures and processes in place that are designed to effectively educate new owners on the attributes of strata living. Their communication is clear and concise with the intent of encouraging co-operation amongst both owners and occupants. They do this effectively by ensuring that they deliver their messages consistently.

Estate agents usually concentrate on the three P's, namely: Position, Price, and Presentation. Similarly,



strata agents concentrate (whether they know it or not) on the three C's: Communication, Co-operation and Consistency.

Initially, communication is usually made to the purchaser once the manager is informed that settlement has been effected. Many of the leading firms issue a package, which may include information about the day-to-day operations of the strata scheme. This may include a summary of the by-Laws, pool times, fit-out procedures, concierge information and other important information relevant to the strata scheme.

The strata living guide written and produced by the Office of Fair Trading is a valuable addition and should be included in this package. Office of Fair Trading should be commended on interpreting a complex legislation into an easy-to-read guide that explains in simple English each owner's rights and obligations together with providing a concise summary of how strata is governed in NSW.

Sending a package is where the strata manager's job usually begins;

the difference between an average and outstanding manager is their ability for ongoing communication with each owner. Outstanding managers assist with owners' rudimentary questions and ensure that they exceed their owners' expectations. This is beneficial in two ways:

- i) by ensuring that owners are aware and understand the by-Laws (we know that hanging your washing on the balcony is a no-no, but do they know that?);
- ii) by providing the manager with a valuable opportunity to build rapport with an owner who may one day decide on their appointment as their strata manager.

Further, regular newsletters together with links to the building or strata agents' website are effective tools in communicating and informing your owners and indeed occupants.

### Real estate agents

Many managers do not fully understand the potential assistance available from their fellow real estate

STRATA AGENTS CONCENTRATE (WHETHER THEY KNOW IT OR NOT) ON THE THREE C'S: COMMUNICATION, CO-OPERATION AND CONSISTENCY.

professionals. Sales and property managers are an invaluable asset as they can effectively make or break a relationship with an owner. Consequently, interdependence is very important. Know the agents that are marketing and managing the strata scheme, talk to them regularly, keep them informed. They are, after all, at the coalface and can ensure that potential owners are well aware of the strata schemes rules.

*Ashley Bassa is a member of the REINSW Strata Management Chapter Committee and is Department Head at Beaumont Strata Management, which specialises in non-residential strata and community schemes. ♦*

# Are you fulfilling your duty of care?

INSURANCE IS A SUBJECT THAT THROWS MANY A GOOD REAL ESTATE AGENT INTO CONFUSION WHEN IT COMES TO THEIR RESPONSIBILITIES AND DUTY OF CARE TOWARDS THEIR CLIENTS, ACCORDING TO AON.

Many property managers have told Aon that they feel it is their duty to help their clients to protect their investment property with insurance but do not want to be seen as pushing it or giving advice on policies.

We hear from real estate agents every day that they are concerned about clients who don't have insurance, and are worried about who will bear the costs if something goes wrong.

Working with REINSW, we have developed three ways to assist you to manage insurance-related queries.

## 1. Educate your clients

You can inform and educate your clients about the risks they face as a landlord and ways they can protect their investment without committing to an insurance solution.

To help you, we have developed a simple, easy-to-understand fact sheet on landlords' insurance that you can give to your client when they sign a management contract with you. Your client can then call Aon directly to arrange their insurance or ask any questions they may have. You don't need to do anything else.

## 2. Apply for insurance products for your clients

There are strict rules around providing advice or recommending insurance policies. This is as a result of the *Financial Services Reform Act* introduced in 2004. In fact, it is illegal to provide financial advice without an Australian Financial Services Licence.



## YOU CAN INFORM AND EDUCATE YOUR CLIENTS ABOUT THE RISKS THEY FACE AS A LANDLORD.

However, you can now enter into a distributor agreement with Aon which would enable you to act under our Australian Financial Services Licence and apply for insurance on your landlords' behalf online or over the phone. We provide all our distributors with an easy-to-follow guide which includes processes, frequently asked questions and templates for letters to your clients.

Property managers can choose whether or not to receive commission on the policies they sell. These commissions will be paid to the agent each year until the product is cancelled, while the landlord remains the agent's client. You must of course disclose to your client that you will be receiving commission from acting as a distributor.

## 3. Be more closely involved (if you want)

If you have clients who live interstate or overseas, you may be managing all aspects of their investment property for them. You can also arrange, vary and issue any Aon product to your client as an Aon distributor. Under this arrangement, you can also nominate to receive

commission from Aon, and you must disclose this to your client.

*As REINSW's endorsed insurance broker, Aon is here to assist you. Visit our website at [www.aon.com.au/realstate](http://www.aon.com.au/realstate) for more information on acting as an Aon distributor or call your local Aon representative on 1300 734 274. ♦*

## Disclaimer

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# Super ideas to save paper



BY JOHN GREIG

REDUCE WASTED PAPER BY CONSOLIDATING YOUR SUPER FUNDS AND ACCESSING YOUR INFORMATION ONLINE.

How many times do you open your letterbox to find lots of 'boring' but necessary mail? This mail might remain unopened until it is filed either in the bin or out of sight until it becomes out of date.

Superannuation funds are required by law to communicate with you several times a year about the fund

and your personal account. If you are one of the millions of Australians with multiple superannuation accounts, then you are receiving multiple newsletters, annual reports and statements.

In recent times it is increasingly possible to access details of your financial arrangements online 24/7. Superannuation information is no different. Most super funds now offer members access to their super details via the super fund website. You are also generally able to update your contact details, beneficiaries and even change your investments online, at a time that suits you.

To access your account online you will need your membership number and a PIN. Your membership number can be obtained from an old statement, your payroll person or your super

fund helpline (Google your fund to get the phone number). Your PIN can generally be re-set either over the phone or if you have an email on file, can often be emailed to you.

To reduce the paper wastage, consider the following:

- consolidating your super into one account, so you only receive communications from one provider (email your preferred provider and ask for help);
- ensuring that your super fund has your current email address on file (you can email your fund and ask that it be added to your account. If you don't know your member number, provide your date of birth so you can be identified);
- opting to receive annual reports and statements electronically (try emailing your fund to request this);

- making personal contributions using BPay rather than by posting a cheque;
- encouraging your employer to pay staff super contributions electronically and to request that all super funds send contribution returns and newsletters via email rather than post.

*If REI Super is your super fund, you can email us at [admin@reisuper](mailto:admin@reisuper) regarding any of the above. ♦*

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# Direct Connect

# Five mortgage mess-ups to avoid



BY ROBERT PROJESKI

## 1. Hiding the truth

Most of us have experienced financial difficulty at some time in our lives. This difficulty may have manifested into a poor credit rating or significant credit card debt. Many borrowers get embarrassed by divulging the full details of such things but it all comes out in the wash. Exaggerating income is another common mistake. Don't lie on your loan application because you *will* be found out. Remember,

your mortgage broker is there to help you get loan approval despite such issues and can only work with the information you give them.

**DON'T LIE ON YOUR LOAN APPLICATION BECAUSE YOU WILL BE FOUND OUT.**

## 2. Borrowing too much money

It is easy to be dazzled by your 'dream home' when you see it. Property taxes, insurance, maintenance and repairs mean you'll be paying more than your previous life as a renter, and some borrows simply over-extend themselves. Defaulting on a mortgage is not a good experience, so think carefully about what you are spending. Work out a budget and stick to it.

## 3. Not shopping around

Borrowers with good credit and a long-term, stable income often get stuck with loans meant for people with poor credit and less fortunate financial circumstances – simply because they didn't do their homework and shop around.

## 4. Seduced by the rate

So many borrowers look at the home loan rate as almost the sole selection criteria. A low rate is often negated by account keeping fees, fees for taking money back out of the account, monthly fees and annual review fees. Borrowers must always examine the loan's key features and benefits to make sure there are no hidden fees.

## 5. Not reading the fine print

It is often the biggest commitment somebody can make, but many

**WHEN YOU TAKE OUT A MORTGAGE, MAKE SURE YOU UNDERSTAND THE TERMS AND CONDITIONS.**

sign their documents without examining them thoroughly. There are usually pros and cons with a specific mortgage product. I can't stress this enough: when you take out a mortgage to buy a house, make sure you understand the terms and conditions of your mortgage. Not doing so can be an expensive mistake.

*Robert Projeski is managing director of Australian Mortgage Options. For more information, visit [www.amo-homeloans.com.au](http://www.amo-homeloans.com.au)*

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WISE INVESTMENT:

# Better properties vs better loans



BY CHRIS GRAY

INTEREST RATES HAVE DROPPED TO A FRACTION OF WHAT THEY WERE LAST YEAR. YET MANY HOME BUYERS ARE STILL SPENDING TOO MUCH TIME SHOPPING FOR THE CHEAPEST HOME LOAN OR TRYING TO PICK THE BOTTOM BEFORE THEY FIX IN, WHEN THEY COULD BE FOCUSING THEIR EFFORTS ON BUYING BETTER.

CHRIS GRAY EXPLAINS WHY THE LATTER OPTION COULD LEAVE MORE MONEY IN YOUR POCKET.

As a property investor who's taken out dozens of mortgages, I've never really spent much time sourcing the lowest interest rates, admin fees or best add-ons such as offset or redraw accounts. In fact, I'm happy to pay one to two per cent higher interest rates and have

admin fees on top, if it allows me to buy and hold more property. I've long advocated this strategy to first home buyers and investors.

## Buying well

Home buyers can spend so much time weighing up one loan against another. It's true that a cheap mortgage could save you hundreds – and it's worth trying to find a good product – but a well-bought property can save you many thousands. Which would you prefer? Shifting your focus to the latter can reap rewards. Concentrating on buying a better property can not only give you a steady stream of good rental returns, it can also give you more capital growth.

That's where buying well is so crucial. They say that you make money in property when you buy, not when you sell. Whether you are an owner-occupier or an investor, this means you either want to purchase properties at less than their market value or pay a reasonable price to secure one that is likely to grow faster than the properties around it.

But how do you buy well? Switch your focus from shopping for a loan to research. Look at as many properties as possible to get an idea of prices and know what adds value. It's common for established investors like me to look at 50 to 100 properties before we make a purchase in a new area. If it saves you 10% on a \$300,000 property, that's \$30,000. And if you manage to get 10% growth rather than 7%, then that's an extra \$9,000 profit every year. Can a mortgage give you savings like that within the same time frame?

## Buying more

As an investor, I focus on buying as much property as I can. When you borrow more money, you often need to pay mortgage insurance and higher interest rates – this could be an extra \$5,000 on a \$500,000 loan. So I need to decide whether low interest rates and fees will benefit me more than the ability to borrow more money. The answer is often they're not. If I can borrow more to buy just one additional property then that could equate to another \$25,000 to \$50,000 I make every year beyond those additional fees.

Borrowing more money – especially when interest rates are rising – can increase your risk. This makes it even more important to buy better properties in better suburbs that can easily be rented or sold at any time. Property investing is a long-term game so you need to ensure you have enough cash buffer to manage any difference between your rent and your mortgage.

## The bigger picture

The reality is that buyers get so engrossed in the details they lose sight of the bigger picture. Because there's so much money at stake, it's crucial to keep a financial perspective, not an emotional one.

*Chris Gray is a leading property expert who provides opinion and commentary regularly on Sky Business News, Channel Nine and other major media. He builds property portfolios for time-poor investors – searching, negotiating and renovating on their behalf. For a FREE copy of his latest book, The Effortless Empire: The Time-Poor Professional's Guide to Building Wealth from Property, go to [www.yourempire.com.au](http://www.yourempire.com.au) ♦*

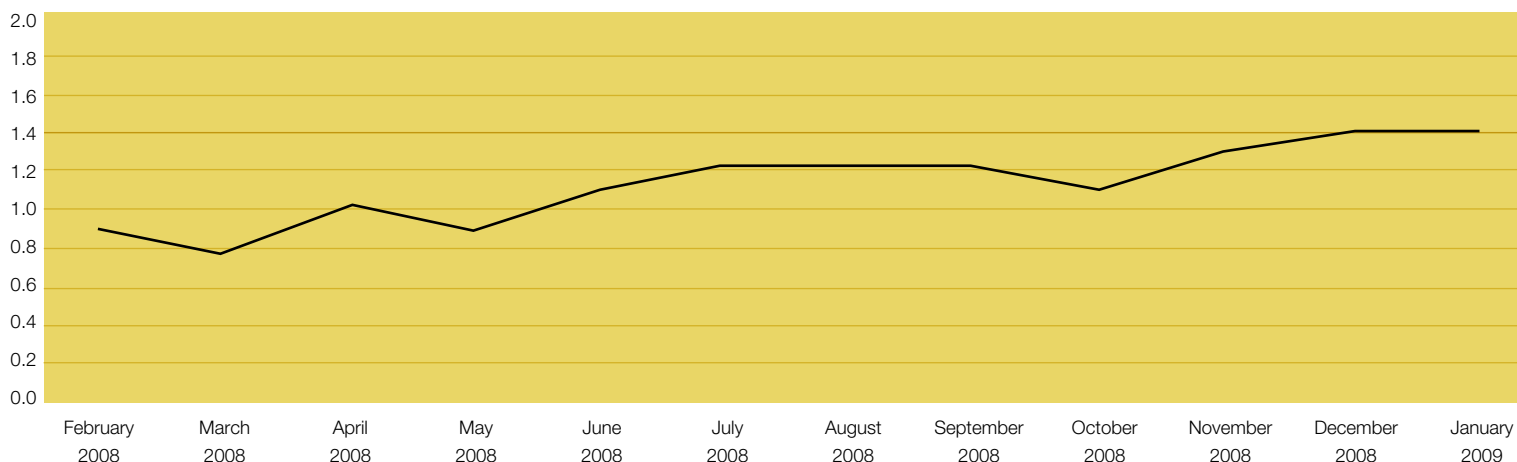
# Research

Check out the latest rate for your area. You can use it in your newsletters, information packs and discussions with potential investors!

## Residential vacancy rate – Compiled by REINSW

Region	Jan-09	Dec-08	Nov-08	Oct-08
<b>SYDNEY</b>				
Inner	1.3%	1.3%	1.3%	1.1%
Middle	1.3	1.5	1.2	1.1
Outer	1.7	1.4	1.3	1.0
Total	1.4	1.4	1.3	1.1
<b>HUNTER</b>				
Newcastle	2.2	2.1	1.7	1.6
Other	1.8	1.4	1.8	1.4
Total	2.0	1.7	1.8	1.5
<b>ILLAWARRA</b>				
Wollongong	2.4	3.0	1.9	2.2
Other	3.0	2.9	0.7	1.9
Total	2.6	2.9	2.1	2.1
<b>CENTRAL COAST</b>				
	2.3	2.0	2.2	2.2
<b>ALBURY</b>	2.7%	3.1%	3.7%	3.4%
<b>CENTRAL WEST</b>	2.5	3.6	4.2	4.7
<b>COFFS HARBOUR</b>	2.5	3.5	4.0	2.9
<b>FAR WEST</b>	-	-	-	-
<b>MID-NORTH COAST</b>	1.8	2.0	1.9	2.7
<b>NEW ENGLAND</b>	2.4	2.6	2.2	3.9
<b>NORTHERN RIVERS</b>	2.3	1.8	1.8	2.8
<b>ORANA</b>	3.3	3.3	3.4	3.6
<b>RIVERINA</b>	2.6	3.1	1.9	2.6
<b>SOUTH COAST</b>	2.6	2.5	2.5	3.4
<b>SOUTH EASTERN</b>	2.4	2.3	1.1	2.5

## Sydney vacancy rate



Source: REINSW Vacancy Rate Survey

Did you realise that your rent roll information is used by the Reserve Bank of Australia when making its interest rate decisions? REINSW Vacancy Rates are a significant source of property information for economists, so make sure you contribute by sending us your vacancy rate figures each month.

## 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
25/01/09	0	snr	4	50.0%	3	66.7%	0	snr	38	47.50%
18/01/09	0	snr	0	snr	2	50.0%	0	snr	7	45.45%
11/01/09	0	snr	1	snr	2	snr	0	snr	8	44.44%
04/01/09	0	snr	0	snr	1	snr	0	snr	1	snr
28/12/08	0	snr	0	snr	0	snr	0	snr	0	snr
21/12/08	0	snr	0	snr	0	snr	1	snr	2	50.00%
14/12/08	22	44.4%	13	78.6%	9	36.4%	23	37.5%	224	53.31%
07/12/08	48	40.0%	30	58.8%	40	26.9%	49	46.9%	423	40.98%
30/11/08	73	43.3%	39	62.5%	46	40.0%	64	42.0%	456	42.93%
23/11/08	79	49.0%	45	60.0%	83	33.0%	82	46.5%	597	44.02%
16/11/08	76	50.0%	26	45.2%	41	31.0%	83	42.9%	449	41.85%
9/11/08	57	36.0%	26	48.4%	67	36.8%	61	46.7%	480	41.81%

\*snr = sample not reliable

# We're helping consumers find you!

REINSW HAS LAUNCHED A CONSUMER CAMPAIGN TO RAISE AWARENESS OF THE BENEFITS OF ONLY USING AN REINSW MEMBER.

10,000 *Find a real estate agent* postcards are being distributed to consumers through our major partners, sponsors and during a series of free home buyers seminars in conjunction with Mortgage Choice.

We are confident this campaign will generate a greater awareness of the 'find an agent' function on the REINSW website, which only lists member agents.

Don't forget to include REINSW in your own marketing materials to ensure you gain a competitive edge.

*For more information, or to find out more about using the REINSW logo, call the REINSW Service Centre on (02) 9264 2343 or email [membership@reinsw.com.au](mailto:membership@reinsw.com.au) ♦*

## MEMBER HELPLINE:

# Frequently asked questions

THE REINSW MEMBER HELPLINE RECEIVES ABOUT 50 CALLS A DAY FROM MEMBERS SEEKING ANSWERS TO PRACTICAL PROBLEMS THEY FACE. HERE ARE SOME ANSWERS TO COMMON QUERIES.

### **Q. Who is responsible for pest control during the tenancy?**

A. Under the terms of the Residential Tenancy Agreement, the tenant has an obligation to promptly notify the landlord of the presence of rats, cockroaches, fleas or other pests. While the agreement does not clearly define who is responsible for the treatment of such pests, the landlord agrees to make sure the premises are reasonably clean and fit to live in. The landlord's failure to comply with this requirement would be in breach of the agreement.

In the majority of circumstances, the treatment of pests would be the responsibility of the landlord. The exception to this would be if the actions of the tenant has attributed to the presence of the pests such as failing to clean the premises on a regular basis or the keeping of an animal upon the premises. As a property manager, you need to assess each case on an individual

basis to enable you to determine who is responsible for the pest control treatment.

### **Q. What obligations does a selling agent have to submit offers to a vendor after the acceptance of a holding deposit from a prospective purchaser?**

A. *The Property, Stock and Business Agents Regulations 2003* state that an agent must inform the principal of all offers up until exchange of contracts has taken place (unless the principal has instructed to the contrary in writing).

In circumstances where a prospective purchaser pays an expression of interest deposit prior to exchange, the agent is obliged to inform the purchaser in writing that the principal has no obligation to sell the property or the purchaser to buy the property and the deposit is refundable if a contract for the sale of the property is not entered into.

The agent must also inform the prospective purchaser when the agent becomes aware of any subsequent offers to purchase the property from any other person.

## AN AGENT'S FAILURE TO SUBMIT OFFERS TO A VENDOR UP UNTIL EXCHANGE OF CONTRACTS IS A SERIOUS BREACH OF THE REGULATIONS.

The agent must also advise the prospective purchaser that they have the right to make further offers up until exchange of contracts has taken place. An agent's failure to submit offers to a vendor up until exchange of contracts is a serious breach of the Regulations.

### **Q. How long does an agent have to wait before initiating legal proceedings against a vendor for unpaid commission?**

A. Section 36 of the *Property, Stock and Business Agents Act 2002* states that an action or other proceedings cannot be commenced by a licensee for the recovery of remuneration or any sum as reimbursement for expenses until the expiration of 28 days after a statement of claim has been served personally or by post on the person to be charged

with the remuneration or expenses. The statement of claim must be in writing, set out the amount claimed and contain details of the services performed by the licensee in respect of which the remuneration or expenses are claimed.

### **Q. Can a managing agent give a landlord written notice to increase management fees without having to enter in to a new Management Agency Agreement?**

A. It is possible to increase a landlord's management fees without having to prepare a new Management Agency Agreement provided the landlord agrees to the increase in writing. Clause 10 of the REINSW Exclusive Management Agency Agreement states that any fees or expenses payable by the Principal to the Agent pursuant to the agreement cannot be varied except as agreed by the Principal in writing. Failure to comply could result in having to refund the increased management fees to the landlord.

*For more information, or for any other questions relating to real estate agency practice, contact the REINSW Member Helpline on (02) 9264 2343 or email [helpline@reinsw.com.au](mailto:helpline@reinsw.com.au). ♦*



# REINSW Education & Training has **moved**

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Find out more about REINSW Education & Training  
[www.reinsw.com.au](http://www.reinsw.com.au)  
(02) 9211 8707



## NEW MEMBER PROFILE: LJ Hooker Jindabyne

LJ Hooker Jindabyne is the only full service agency operating in the Snowy Mountains Region, dealing in Real Estate as well as Stock & Station, Business and Strata Management.

LJ Hooker Jindabyne became a member of REINSW to ensure that we stay up to date with legislation changes and to take advantage of the compliance support offered by REINSW.

## NEW MEMBERS

### Full firm

**Mr Joe Amendolia**  
Norton Plaza  
LEICHHARDT 2040

**Camerons Real Estate**  
17 West Parade  
HILLTOP 2575

**Hawkes Real Estate**  
55 Annam Road  
BAYVIEW 2104

**Lasiandra Country Living Pty Ltd**  
736 Beechwood Road  
BEECHWOOD 2446

**LJ Hooker Jindabyne**  
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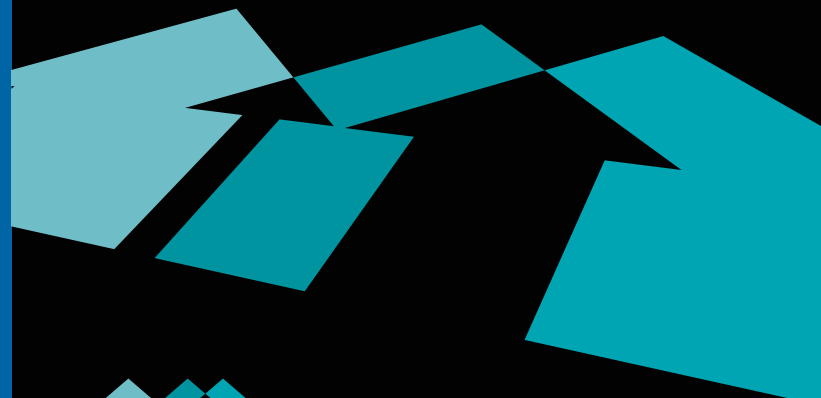
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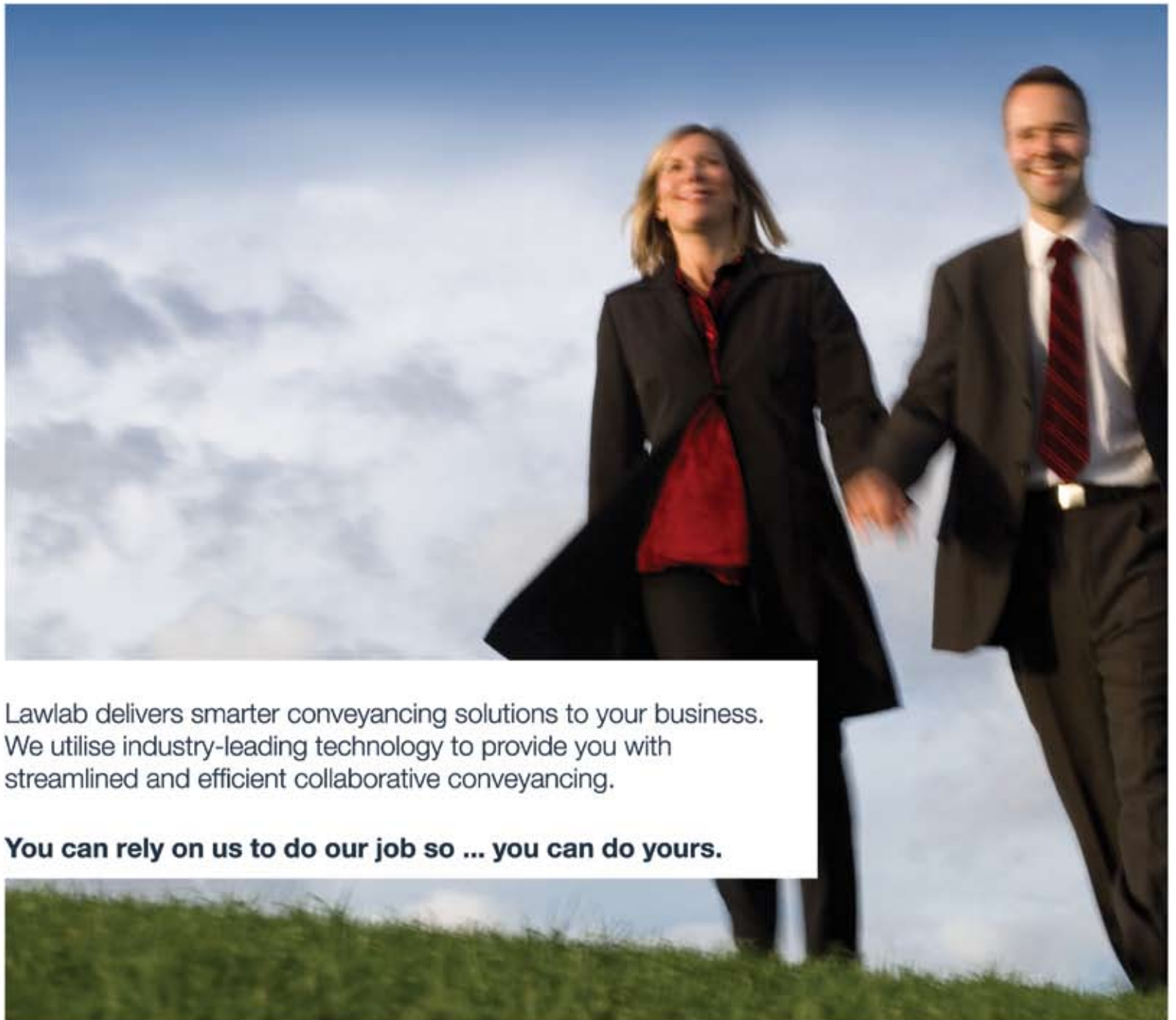
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