



REI ACT

REAL ESTATE INSTITUTE
OF THE AUSTRALIAN CAPITAL TERRITORY

October 2017



First home buyers driving increased lending.

The August 2017 housing finance figures released today by the Australian Bureau of Statistics (ABS) show first home buyers are returning to the market due to increased stability.

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FROM THE *President*

Hi,

The REIACT Awards for Excellence have been the pinnacle reward for our Institute members since 1995 and this year we received record nominations over 26 categories. As a result of this amazing response from our industry's best, 400 people attended the Gala Dinner held on the 16th September at the QT Hotel — another record.

With the new online submission platform enhancing the judging experience, the feedback from our judges has been overwhelmingly positive, with many categories being decided by the barest of margins.

It shows what a vibrant and successful real estate sector we have in the ACT. With the ACT's population continuing to increase and the ACT economy one of the fastest growing in Australia, Canberra's real estate industry is playing a significant role in our current prosperity.

Between January and July of 2017, there were over 6,700 sales of houses and units in the ACT, according to research by Allhomes. Not to mention our strong rental and commercial property markets, as well as all the businesses who assist those buying, selling or leasing property. We have a diverse and accomplished real estate sector.

On behalf of the Board I would like to congratulate all the winners and finalists for the standard of their submissions and wish our winners of the National categories every success at the REIA National Awards for Excellence to be held in Sydney next March. I would like to make a special mention of our Hall of Fame recipient,

CBRE Canberra for their two Awards and also to Stan Platis for receiving President's Award which was last presented in 2008. Stan, who served as the REIACT Director on the REIA Board for 12 years, resigning this position in December 2016, then set about raising valuable sponsorship for to enable the REIACT to host the 2017 REIA Awards for Excellence in March this year.



WITH THE ACT'S
POPULATION
CONTINUING
TO INCREASE,
CANBERRA'S REAL
ESTATE INDUSTRY
IS PLAYING A
SIGNIFICANT ROLE
IN OUR CURRENT
PROSPERITY.

His efforts resulted in the REIACT being recognised for the best National Awards in the history of the event.

I must also thank our sponsors, Corporate Partner Allhomes, Corporate Sponsors — BAL Lawyers and St George Bank, our Silver Awards Sponsors — ACT Housing and Community Services Directorate, Nexis Accounting and Business Advisors, REI Super, Terri Scheer, Rockend, Smoke Alarm Testing Services, Coverforce, Velocity Conveyancing, ACT Property Inspections, Palace, MGA Insurance Brokers, Meyer Vandenberg Lawyers and our in-kind sponsors Streamline Creative, Mercedes Benz Canberra and Ignite.

Michael Kumm
REIACT President



FROM THE *CEO*



MICHELLE TYNAN

Over the last couple of months, the REIACT has been working with ACT Government on several different fronts.

The REIACT has participated in several consultative workshops as a stakeholder in the "Towards a new Housing Strategy", culminating in our invitation to attend the Housing and Homelessness Summit on Tuesday 17 October 2017. Over 200 people attended the full day Summit, in her opening address Minister Evette Berry announced the following as a result of the extensive community and industry consultation:

- A Housing Innovation fund of \$1 million to seed affordable housing initiatives
- First annual affordable, public and community housing supply target
- A new affordable home purchase data base

Interactive workshops throughout the day will see the government now review all input from the community and industry leaders.

From this it is hoped that strategies will be developed to address homelessness and housing affordability in the ACT and that the Summit will not be viewed as a talkfest.

In September I met with representatives from the Energy Compliance and Environment, Planning and Sustainable Development Directorates to address industry concerns relating to the EER Advertising requirements for rental properties. This consultation has resulted in the EER Advertising Requirements Fact Sheet contained in this newsletter.

We have also been working with Strata Communities Australia and ACT Government to establish minimum training requirements for Strata Managers in Canberra. Both the REIACT and Strata Communities Australia would like to see these approaches to Government result in all Strata Managers acquiring a Certificate IV in Property Services and compulsory registration.

As you would be aware, ACT Land Rates for owners of Strata-titled properties have increased significantly for the 2017/18 year, due to a change in the formula used to calculate rates. This change has forced an overwhelming majority of properties into the highest marginal percentage of the site's Average Unimproved Value (AUV), and resulted in increased rates of up to 30% in many cases.

Such a change has not affected single-titled properties, which have seen increases of roughly 7% for the current year.

Strata Community Association (ACT), Owner's Corporation Network (ACT), and the Real Estate Institute ACT,

along with a group of private apartment owners have united to lobby the ACT Government to redress this unfair, inequitable, and underhanded recalculation of the methodology to assess Land Rates. We seek your company's support in circulating the petition, which will be sponsored into the Legislative Assembly by the Opposition Leader, Alistair Coe. You should have received the request for support and petition by email on Friday 13th October, if you have not received this request, please email me at admin@reiaact.com.au to receive your copy.

FUNDING FOR WOMEN'S LEADERSHIP DEVELOPMENT: UP TO \$8,000 AVAILABLE

Building on the significant developmental momentum achieved earlier in the year, Women & Leadership Australia is administering a national initiative to support the development of female leaders across Australia's real estate sector.

The initiative is providing women with grants of between \$3,000 and \$8,000 to enable participation in a range of leadership development programs.

The scholarship funding is provided with the specific intent of providing powerful and effective development opportunities for real estate sector women; however the funding is strictly limited and has to be allocated prior to the end of 2017.

Expressions of Interest

Find out more and register your interest by completing the Expression of Interest form [here](#) prior to December 15, 2017: wla.edu.au/funding

WHATS ON

OCTOBER:

CPD TRAINING COURSES

25th October —
The Art of Auctioneering for Your
Business with Michael Choi —
4 x Category Two CPD Points

25th October — The Art of Auction
Competition Calling with Michael Choi
— 3 x Category Two CPD Points

NOVEMBER:

CPD TRAINING COURSES

14th November —
WIRE Breakfast —
1.5 x Category 2 CPD Points

22nd November — Trust Accounting —
Full 12 CPD points

DECEMBER:

6th December —
REIACT Members Christmas Drinks

welcome NEW MEMBERS



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Winners

Residential Marketing Award – Budget Under 3.5K	SHAUN IQBAL - IMPACT PROPERTIES GUNGAHLIN
Residential Marketing Award – Budget Over 3.5K	MARIO SANFRANCESCO – PETER BLACKSHAW REAL ESTATE MANUKA
Large Residential Agency of the Year	RAY WHITE BELCONNEN
Achievement Award	CHANTEL JONES – INDEPENDENT PROPERTY MANAGEMENT
Innovation Award	IMPACT PROPERTIES GUNGAHLIN
Corporate Support Person of the Year	EMILY ANTILL – PETER BLACKSHAW WODEN & WESTON CREEK
Solicitor of the Year	JUDY MORRIS – JUDY MORRIS & ASSOCIATES
Small Residential Agency of the Year	IMPACT PROPERTIES GUNGAHLIN
Residential Property Management Team of the Year	RAY WHITE BELCONNEN PROPERTY MANAGEMENT TEAM
Commercial Property Manager of the Year	CHRIS PARK – KNIGHT FRANK AUSTRALIA
Commercial Salesperson of the Year	MARK NICHOLLS – CBRE ACT
Commercial Agency of the Year	COLLIERS INTERNATIONAL ACT
Communications Award	BURGESS RAWSON ACT
Public Housing Sector Property Manager of the Year	DARLENE MITCHELL
Service Provider of the Year	ACT PROPERTY INSPECTIONS
Residential Property Manager of the Year	RENEE BINK – INDEPENDENT PROPERTY MANAGEMENT
Novice Auctioneer of the Year	DANIEL POLLOCK – INDEPENDENT PROPERTY GROUP INNER NORTH & CITY
Hall of Fame	CBRE CANBERRA – COMMERCIAL AGENCY OF THE YEAR
Hall of Fame	CBRE CANBERRA – COMMUNITY SERVICE AWARD
President's Award	STAN PLATIS
Residential Sales Team of the Year	TEAM HAYMAN – PETER BLACKSHAW WODEN & WESTON CREEK
Medium Residential Agency of the Year	PETER BLACKSHAW WODEN & WESTON CREEK
Auctioneer Franchise of the Year	INDEPENDENT PROPERTY GROUP
Auctioneer of the Year	ANDREW POTTS – INDEPENDENT PROPERTY GROUP GUNGAHLIN
Rookie of the Year	NATHAN WOOD – RAY WHITE BELCONNEN
Allhomes People's Choice Auctioneer of the Year	SANDRA MASTERS – LJ HOOKER KIPPAX
Residential Salesperson of the Year	COLIN MCINTYRE – MCINTYRE PROPERTY

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PHOTOS — *award winners*





SOCIAL photos



2017 AUSTRALASIAN AUCTIONEERING *championships overview*

This year's Australasian Auctioneering Championships were held in a Adelaide between September 6–7th inclusive.

With two fresh new contestants representing the ACT in Andrew Potts (Independent Property Group Gungahlin) and Alec Brown (Peter Blackshaw Real Estate Manuka); in addition to providing the first ever female judge for the national competition Sandra Masters (LJ Hooker Kippax) and the first critique judge in the history of this competition also coming from the ACT, this year's championships illustrated the increasing strength and depth of auctioneering skill and talent in the nation's capital.

Several other REIACT members also made the journey to Adelaide to offer their support to our contestants. This illustrates the comradery amongst the members of REIACT's non-brand aligned Auctioneering Chapter. An initiative started a few years ago by Mark Larmer, Peter Walker and Andrew Potts and cultivated by REIACT CEO, Michelle Tynan.

With both our lads placing midfield in what was arguably one of the strongest fields assembled to undertake one of most challenging bidding sequences created for the heats, ACT are no longer considered easy beats. The relaxed auctioneering styles and composure of both Alec and Andrew throughout their performances, correctly calculating complex amounts bid, with the infusion of clever dialogue was commendable and drew favourable feedback from both interstate judges and other competitors, alike.

The inclusion of Sandra Masters as the first female judge at a national competition was a major step forward and acknowledgement of the importance of broadening the profile and demographic of judges in determining the most worthy winner. Favourable feedback on Sandra's assessments and opinions shared with other judges throughout the competition, demonstrated that this was not simply a political decision. Sandra's differing opinions allowed a broader field of assessment suggesting a more credible decision when determining this year's winner and overall placings.

REIACT was also involved in the Australasian Schools Auctioneering Competition. CEO Michelle Tynan had the privilege of judging the competition this year. Competitors, Bailee Ha, Amy-Lee Hay and Jake Tanner representing REISA, Andre Briffa REIT and Jordon Culham REIV were all trained by their respective REI's for the Championship and the standard of these five finalists was incredible, given that they are all in year 11 at high school. The Competition was won by Andre Briffa and the winner Encouragement Award was Bailee Ha. Andre could have been mistaken for a full time real estate agent (had it not been for the school uniform.), a polished and entertaining performance well worthy of the championship title. Bailee had only arrived in Australia four years ago and spoke no English when she arrived. Her story is one of determination and courage and well deserving of the Encouragement Award.





REIACT WAS ALSO INVOLVED IN THE AUSTRALASIAN SCHOOLS AUCTIONEERING COMPETITION

Sandra Masters has taken charge of the development of a Schools competition for the ACT. We are now working with Australian Independent Schools here in Canberra to establish a pathway for training of interested students with the end goal to have an ACT representative

at the Australasian Auctioneering Championships to be held in Auckland in October 2018.

The objective of the REIACT Auction chapter is to improve auctioneering standards and allow a greater understanding of cutting edge auctioneering practices. The ongoing influence of New Zealand auctioneer and three time Australasian auctioneering champion, Mark Sumich, revealing itself through improved performances by our auctioneers at a national level.

The REIACT auctioneering chapter focuses on improving auctioneering practices and broadening the knowledge of local auctioneers.

We encourage participation at our local competition without insistence. We believe the purpose of competition is to raise auctioneering standards and develop world class auctioneering practices across the nation's capital. Cultivating a national auctioneering champion is simply a desirable outcome rather than an expectation.

BY PETER WALKER
AUCTION CHAPTER CHAIR

If you'd like to learn more about the auctioneering chapter, please contact REIACT on 02 62824544.

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Contact your BDM or Lender

HOW DOES THE SALE OF A BUSINESS IMPACT *employee entitlements?*

The sale of a real estate agency is something most agency owners will face at some point during their business life. Here are some key things to be aware of when it comes to employee entitlements.

When an agency is sold it's common for the employment of some, if not all, of the employees to be transferred to the new business. As the new employer, the buyer of the agency needs to be aware that many employee entitlements carry over from the old employer. This is because of the "transfer of business" provisions in the *Fair Work Act*.

Transfer of business

The *Fair Work Act* defines a "transfer of business" as any situation where:

- the employment of an employee of the old employer has been terminated
- within three months of that termination, the employee becomes employed by the new employer
- the work the employee performs for the new employer is the same or substantially the same as the work performed for the old employer and
- there is a connection between the old employer and the new employer (for example, there is a transfer of ownership of assets).

What's the impact?

So how does a transfer for business affect an employee's entitlements?

Annual leave

Annual leave can be transferred with an employee to the new employer. Alternatively, where the employers are not associated entities, the new employer can decide not to recognise an employee's previous service. This means the old employer will pay the employee their annual leave entitlement up to the date of the transfer and the employee will then start to accrue a new annual leave entitlement from their date of commencement with the new employer.

Personal/carer's leave

The new employer must recognise prior service with the old employer. In other words, the new employer needs to accept liability for any personal/carer's leave the employee has accrued with the old employer.



BY BRYAN WILCOX — CEO of the Real Estate Employers' Federation

Parental leave

An employee's prior service with the old employer counts towards determining eligibility for unpaid parental leave and their right to request flexible work arrangements under federal law.

Long service leave

A transferring employee's long service leave entitlement will be determined in accordance with the relevant state or territory long service leave legislation. Generally, service with the old employer is counted as service with the new employer, however advice should be sought based on the agency's location.

AS THE NEW EMPLOYER, THE BUYER OF THE AGENCY NEEDS TO BE AWARE THAT MANY EMPLOYEE ENTITLEMENTS CARRY OVER FROM THE OLD EMPLOYER.

Notice of termination

Only service with the new employer counts when determining the period of notice of termination that must be given to the employee by the new employer.

Unfair dismissal

In most circumstances, if the new employer wants protection against an unfair dismissal claim by a transferring employee for the statutory minimum employment period,* there must be an expressly written exclusion from recognising previous service with the old employer. This written exclusion must be agreed prior to the employee commencing with the new employer. Where the transferring employee is not advised of the exclusion in writing, their prior service will be recognised for the purpose of calculating the minimum employment period.

* The statutory minimum employment period is 12 months for businesses with 14 or fewer employees and six months for other businesses.

Redundancy pay

Where the employers are not related entities, the new employer can choose whether to recognise the employee's service with the old employer for the purpose of redundancy entitlements.

Employee records

The employee records of transferring employees must be transferred to the new employer and kept for seven years in accordance with the record keeping obligations under the Fair Work Act.

The bottom line

When you're buying an existing agency (or a part thereof) you need to be aware that an employee's service with the old employer may count toward their total service when calculating entitlements under federal law or the relevant state or territory long-service leave legislation. The contract for the sale of the business should include a clause providing clarity on this point.



REEF is the real estate industry's leading not-for-profit employer and workplace relations advisory association. It has 1500 members and subscribers across the eastern states of Australia. Each year, REEF receives more than 12,000 calls from real estate employers needing help and guidance on matters affecting the employment relationship.

For more information about joining REEF, go to www.reef.org.au or call 1300 616 170.





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The Real Estate Employers' Federation is the real estate industry's leading not-for-profit workplace relations advisory association. REEF is committed to helping real estate employers protect their interests and offers exclusive access to a range of products and services specifically designed to assist and guide employers in managing employee relationships.

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ELECTRONIC SIGNATURES: *can they be used in the ACT?*

With the rapid advances of technology come equally rapid changes in the way we interact and communicate with one another. Where once correspondence was sent by post and negotiations were drawn out over a number of weeks or months, it is now often resolved by email in a matter of days. The acceptance or agreement of contract terms by signature used on an electronic document (electronic signature) is no exception and will often be considered binding.

Though the concept of electronic signatures is not new and the preference (at least amongst the legal profession) appears to remain with 'we ink' signatures, the trend and popularity towards an electronic form of execution seems to be growing.

The legal framework for the electronic signature has been in place for some time under the *Electronic Transactions Act 1999* (Cth) which has been adopted generally in the Australian Capital Territory under the *Electronic Transactions Act 2001* (ACT) (Act).

Where an electronic signature is to be used, Section 9 requires that:

1. the method of signing identifies the person and indicates that person's intention in relation to the document being signed;
2. the method was reliable in the circumstances; and
3. the recipient consents to the document being signed electronically.

Subject to the electronic signature complying with the above, the validity of the document cannot be denied on the basis it had been signed electronically.



THE TREND AND POPULARITY TOWARDS AN ELECTRONIC FORM OF EXECUTION SEEMS TO BE GROWING.

It should be noted however, that the requirements set out under Section 9 are intentionally non-specific and have the obvious downfall of allowing for the method of electronic signature to be legally challenged. There is further uncertainty in that the validity or reliability of the method of electronic



BENJAMIN GRADY

signature will also depend upon the type of document or the circumstances in which the document is being signed. The Explanatory Memorandum to the Act states that the intention was to resolve the Act *having to be revised to take into account technological changes*.

Caution should also be taken when signing electronically as there are specific Territory laws which may prevent this method of execution. For instance, Section 219 of the *Civil Law (Property Act) 2006* (ACT) requires that there be at least one witness to the execution of a deed. Due to the very nature of an electronic signature (there is no witness), such provisions cannot be satisfied electronically.



FIRST HOME BUYERS *driving increased lending*

The August 2017 housing finance figures released today by the Australian Bureau of Statistics (ABS) show first home buyers are returning to the market due to increased stability, according to the Real Estate Institute of Australia (REIA).

"The proportion of first home buyers, as part of the total owner-occupied housing finance commitments, rose to 17.2 per cent and is the highest proportion since July 2013. The number of first home buyer commitments increased by 14.0 per cent for the month and is the highest since December 2009," REIA President Malcolm Gunning said.

"By contrast, the value of investment housing commitments decreased by 0.2 per cent in August in trend terms following falls in the previous three months and is well down from its 2015 peak," Mr Gunning said.

"Overall the figures for August 2017 show, in trend terms that the number of owner-occupied finance commitments increased by 1.0 per cent. If refinancing is excluded, in trend terms, the number of owner-occupied finance commitments increased by 1.3 per cent and is the eleventh consecutive month of increases.

"In trend terms increases were recorded in all states and territories except South Australia and the Northern Territory. The Australian Capital Territory had the largest increase of 2.0 per cent. In Victoria and New South Wales, where new incentives for first home buyers came into the effect on 1 July 2017, the increases in owner occupied housing commitments was 1.4 per cent and 1.3 per cent respectively.

The Northern Territory had the largest fall at 1.4 per cent.

"In trend terms, the number of established dwellings purchase commitments increased by 0.9 per cent while new dwelling construction increased by 1.5 per cent and the purchase of new dwellings rose by 2.1 per cent.

"It is pleasing to see that of the 1,526 increase in loans in August, 1,264, or 82.8 per cent, were to first home buyers. The figures show that the market is adjusting to more stable conditions with owner occupiers and first home buyers returning to the market," Mr Gunning concluded.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.

For further information or to speak with REIA President Malcolm Gunning please contact Helen Hull via media@reia.com.au or 0419 642 961.

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A NEW LOOK FOR ALLHOMES MAG

while Canberra's median house price continues to rise

With a new editor comes a fresh new-look Allhomes magazine, and I'm pleased to inform you of some exciting news.

Launching November 11, we've given Canberra's premier property glossy a revamped, clean look and added new features with an emphasis on design, aspiration, and the lifestyle side of real estate.

Keep your eyes peeled and stay tuned...

In recent news, the latest Domain State of the Market report, released on Thursday, proved that Canberra's property market has experienced some outstanding growth in the third quarter, with rental rates and median house prices growing faster than the Sydney and Melbourne markets.

The report showed house prices in the capital had reached a new high of \$723,980, up 4.3 per cent over the quarter and 10.5 per cent annually.

Experts said under-supply in the market was helping drive growth, with median prices for units increasing by 1.9 per cent to \$427,391, recording a slight decrease of 0.5 per cent annually.

The capital's rental market also remained strong, putting Canberra among the highest movers in the nation alongside Hobart, which saw 4.2 per cent growth.

Median weekly asking rents for houses grew 1 per cent in the quarter to \$505, an increase of 6.3 per cent year on year.

Median unit asking rents were steady at \$420, but remained up by 5 per cent year on year.

Domain Group chief economist Andrew Wilson said Canberra's median house price had been down over the June quarter, but the strong market suggested prices would continue to rise through to the end of the year.

"The Canberra market grew significantly quicker than the Melbourne market over the September quarter, and also grew at a much faster rate than Sydney where house prices were down by 1.9 per cent," Dr Wilson said.



**ALLHOMES EDITOR,
JOSEPHINE HUYNH**

allhomes

**CANBERRA'S
PROPERTY MARKET
HAS EXPERIENCED
SOME OUTSTANDING
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GROWING FASTER
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AND MELBOURNE
MARKETS.**

"The two strongest markets at the moment are Canberra and Hobart, and it's interesting to note that they are the two smallest markets as well."

Sydney remained the country's most expensive city, with median house prices of \$1,167,616, ahead of Melbourne at \$880,902.

The national median house price was \$819,455, down 0.5 per cent in the quarter by 10.80 per cent up on an annual basis.

Canberra had the highest unit rental yield in the nation at 5.77 per cent, increasing at 3.7 per cent year on year.

The figure put Canberra ahead of Darwin, Hobart and Adelaide, while Sydney and Melbourne had yield growth of 3.86 per cent and 4.47 per cent respectively.

“The unit result is quite interesting in Canberra,” Dr Wilson said.

“There’s been a building boom in Canberra for units and we’ve seen prices pick up again over the September quarter — up by 1.9 per cent and it’s set for a consistent increase.

“This just shows that the return on investment is reflecting that Canberra units represent good value.”

Census figures released in June showed the ACT is the fastest growing jurisdiction by population, approaching 400,000 and with 11.44 per cent growth since 2011.

The ACT looks set to pass Tasmania on population levels, driving in part by the growth of Gungahlin — the fastest growing region in the country.

Dr Wilson said the Canberra property market continued to show upward potential generally, which provided good value perception for both buyers and sellers.

“We saw through 2013–2015 a constraining of the Canberra market through local economic factors — the slashing of the public service budget and the small number of net migration, both had a significant impact on the housing market,” he said.

“Migration has turned around quite strongly now for Canberra, the unemployment rate has fallen back down again and no doubt the public sector is going strong.

“There’s upwards potential for Canberra and a good value perception from buyers and sellers in the Canberra market,” he said.



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Expectations have changed.
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look at the services we're
providing and the value
those services afford to
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the short term, but over
a much longer period.
We need to look beyond the
immediate transaction.**

As agents, we're in a unique position to extend and deepen our involvement in all stages of the real estate transaction by building and nurturing relationships with clients that extend beyond the obvious moments of buying, selling and leasing. We need to position ourselves as professionals at the centre of each and every real estate transaction. We need to offer a wide range of services to our clients, provide creative solutions to complex problems and give sound information and advice about the property and the market. And we need to have a reputation for providing a high level of service and behaving ethically and honestly. Everything we do must be about increasing the quality of our service, rather than attempting to resist the changing environment around us.

Our industry is at a crossroads — one that presents us with the most critical choice we've been posed in more than 100 years.

Which road will you take? Will you tread the track of least resistance and continue with the status quo? Or will you boldly set out on the pathway toward professionalism?

Our journey will require us all to change — our attitudes, our behaviours and the way we collectively present ourselves. But by working together we can be the change we want to see.

The REIACT, in conjunction with REIA and our state and territory counterparts, are working with the Professional Standards Councils (PSC) and its agency, the Professional Standards Authority, to explore how real estate agents can be formally recognised as a profession.

The five Es are:

1. Ethics
2. Education
3. Experience
4. Examination
5. Entity

1. Ethics

The prescribed professional and ethical standards that clients rightfully expect their professional to exhibit.

2. Education

The specific technical and professional requirements to practice in a discrete professional area, linked to formal entry-level qualifications.

3. Experience

The personal capabilities and expectations of experience required to practice as a professional in a specific area.

4. Examination

The mechanism by which qualifications and ongoing compliance are assessed and assured to the community.



**JOHN CUNNINGHAM,
REIA PROFESSIONALISM
COMMITTEE**

EVERYTHING
WE DO MUST
BE ABOUT
**INCREASING
THE QUALITY OF
OUR SERVICE**

5. Entity

There must be an entity, usually a professional association, capable of overseeing and administering compliance expectations on behalf of consumers who rely on the professionals.

It's time to stand up. Collectively, we need to understand our commitments to our clients, our community, our agencies and our teams. If we do this, then we'll truly be on the road to being a profession and, in doing so, fending off the threat of disruption and raising our standing in the minds of consumers. Evolution into a profession is the key to our industry's survival.

OUT WITH THE OLD AND IN WITH THE (NOT SO) NEW!

managing employee performance

Employers generally know that without great employees performing their roles well, their business is at risk. A profitable business relies on people knowing their work, and performing it well.

Businesses should have some sort of performance reviews in place to make sure everyone is on track and working toward the common goals of the business. Where performance is not reviewed, or are merely linked to narrow KPIs, your business could be in a danger zone.

Performance Reviews

For many years performance reviews have been done annually, and are generally backward looking at how the employee has worked and what they have achieved.

Contemporary best practice says that this method is now OUT. Once a year, retrospective reviews are rather 1980s after all.

These annual reviews meant that staff believed they must be doing their jobs well as they hadn't been advised they were doing something wrong. A case of "no news is good news."

Research has led to the creation of new best practices, and this shows that people want to know how they are doing in the jobs. They want feedback on what they are doing well, and where they can improve. Staff want to share their innovative ideas and they want to know they are on track and making a positive difference to the work of their team and organisation.

But managers say, "I don't have enough time to meet with my staff to talk about performance stuff." The obvious response to that is that you meet with your staff and talk about their performance All The Time.

For example:

1. You pass in the corridor —
"How's it going?"
"Good, flat out doing xyz but it's coming along well."
"Great, keep up the great work."
You just reviewed performance and gave feedback.
2. You go to your employee and ask what they are up to on a specific project. You sit down and work through some roadblocks they have experienced. This meeting lasted 10 minutes. You just reviewed performance and gave support/coaching/feedback.
3. An employee wanders into your office to ask if you have 5 minutes and floats an idea with you that might make a regular process easier or more efficient or create greater cost saving, or even presents a new business idea. You talk about it, scope it out, decide who will do what and assign some additional work to your employee that they have never been tried before. You just reviewed performance and gave support / coaching / development in the form of a stretch assignment.

So the question remains, why are we still holding on to doing the once or twice per year formal review that takes you an hour to prepare for, only to go over things you have been addressing and discussing all year?

As a matter of best practice you should be having informal reviews at least once per month. As we can see from the examples above, this is probably taking place anyway. It is simply a matter of managers recognising that a performance review has actually just occurred.

The problem with the regular catch-ups is that they are not captured in terms of performance reviews, or even viewed through that lens. Certainly these conversations are not documented as evidence of review.

Do you need to document them?

In some form, probably yes. Making a record of the review is necessary as a record for potential legal or compliance reasons, but the aim is not to tick a box or fill in a complex form — it's about the CONVERSATION. This is the two way dialogue where you both give and received feedback, set goals together and learn from each other. When we engage in this conversational approach it becomes an exchange between two people and the richness of the information that results. The interaction is as much about the employee, where they are going, what innovative ideas they can share and what they want to achieve in your business, as it is about you — their manager and your role as well. It is a way of making sure that everyone gets regular feedback and the opportunity to provide input into the business. It is a key contributor to employee engagement, which is a whole other topic area.

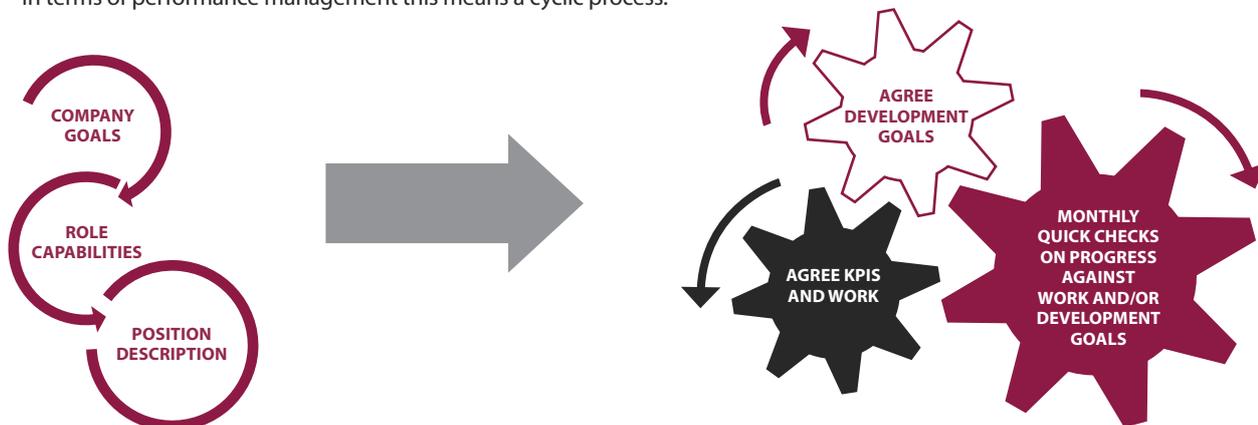
Another benefit of the regular feedback loop is that both employee and manager are making regular checks

on progress against KPIs or agreed work outcome goals. This enables the manager to correct small issues before

they become glaring mistakes or problems that then create a situation where the manager is now faced with managing underperformance.

Simple Performance Framework

Having a framework in place enables all people in the business to focus on what they do, and how well they are doing it. In terms of performance management this means a cyclic process.



Start with your strategic company goals and objectives. Including vision, mission and values.

Determine the capabilities the person or people in each role need to hold that contributes their bit toward achieving the company goals and articulate these into the job description, which also includes the expected outcomes each role is expected to attain.

For example in sales roles, there may be a target to be achieved to attract bonuses etc.

Also include other actions such as:

- What sort of behaviours do you expect your staff to display?
- What sort of customer service should they deliver?
- How should they exemplify your company values?

Step 1: Now to create the work goals

Set targets, timeframes and measures. The measures should preferably be **SMART**:

Specific: target, time, requirements
Measurable: criteria which shows what success looks like

Attainable: select the most important goals and set timeframes which are achievable

Realistic: are the goals set at a level that motivate achievement, not too high or too low?

Timely: select the timeframes that challenge, but do not promote urgency. Set a date

Step 2: Agree on the development goals to support learning and growing in the role (and career)

Step 3: Schedule in monthly 15-30 minute meetings over the next 12 months.

These meetings can vary in focus, for example one month you might look at development, another how performance is going, another ideas to improve work etc. Both parties agree on what is documented about the meeting.

Of course, if an ad-hoc meeting happens where any discussion of this nature takes place, take a moment to document the conversation. Month done!

Step 4: Do a final review of everything over the 12 months and take time to celebrate successes and discuss how things can be done differently

to get even better results. Then, back to Step 1...

It is not hard, it just needs commitment and planning — an investment every business owner and manager should make due to the positive impacts that can be made to business outcomes and profitability. Another positive impact from the conversations is avoiding going down the managing underperformance pathway, which is time consuming and stressful for all involved.

In summary: You can make a major positive change to your business simply by making a few tweaks to capture or document what you are already doing, such as using **IgniteCCF***.

Recognise you are already having conversations with your employees and make these your performance review process. Set up regular monthly catch-up meetings so that you can check in with each other and really keep performance on track and your employees motivated.

**IgniteCCF is an HR Framework that is simple to use, produces important business analytics and also coaches both manager and employee to capture those important performance conversations.*

Contact Sharon Costigan to find out more:

02 6113 7538
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TRAINING REVIEW TO *shake up real estate sector*

One of the biggest things to happen in the real estate training sector in the past decade is happening right now and it will have a major impact on the real estate profession in the ACT and the rest of the country.

The real estate training package review, led by ARTIBUS, is an examination of the nationally recognised training that is delivered by registered training organisations and compared with the needs of the profession.

The REIACT, along with each state Real Estate Institute, is contributing to the Technical Advisory Group providing feedback to the training package review process. Throughout Australia, the Institutes represent ten of thousands real estate professionals, providing a valuable source of real-world expertise on current and future real estate practices. This review is long overdue as the last training package review was in 2007 and the real estate industry was very different.

The REIACT, along with sister organisations around Australia, have been involved with stakeholder meetings with the organisation leading the review, ARTIBUS, to help address where training packages need to be updated and amended, or in some cases, completely overhauled. For example, the current training package doesn't offer a subject on computerised trust accounting procedures, which is clearly outdated. There are clearly areas we need to bring the training up to modern standards and additionally, the training package should contain units dealing with the new technology and marketing methods.

RESTRUCTURE

It is anticipated that the review will also provide greater clarity in the structure of training on offer, so people can more easily choose the training appropriate to the career goals. A simpler, more practical structure that could help with the decision making would be if there were elective sector-specific skill sets designed to prepare newcomers for the role they will be undertaking.

For example, as a property manager or commercial specialist, in addition to a solid core of subject relating to legislation documentation, consumer protection and ethics.

MEMBERSHIP FEEDBACK

Towards the end of this year the first drafts of the training units will be unveiled by Artibus and we'll then communicate these training drafts to our membership via a range of communication channels. Then the REIACT members will be asked to provide feedback on the draft training units. Do these training units meet the industry's requirements?

We will need your feedback — so please stay tuned for further news in this area!

THERE ARE CLEARLY AREAS WE NEED TO BRING THE TRAINING UP TO MODERN STANDARDS.

BUILDING CONFIDENCE IN PROPERTY

WHEN BUYING, SELLING OR BUILDING



\$0 UPFRONT ACT SELLERS PACKAGE

SERVICES

ACT SELLERS REPORTS
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BUILDING CERTIFICATION
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LOOKING BACK AT THE GFC: *why long term planning remains pivotal*

While the global financial crisis of 2007–08 was a watershed moment for the financial services landscape worldwide, ten years on we are still feeling its impact by virtue of the changed dichotomy of trust and expectations that have been set by our members.

Evolving fund member expectations and understanding of investment markets prompted a shift by super funds like REI Super to become more attuned to our members' declining appetite for risk and how they would respond to monumental market shocks. What also became of critical importance, however, was a deeper understanding of the significant role we ought to play in giving both comfort and reassurance to members by helping them plan for the long term.

It's important to remember superannuation is a long term investment and needs to be regarded by members as such. The perennial problem for funds is that their members often find themselves in one of two categories: 'the engaged' and the 'set and forget'. And, it's often easy for members to forget occasional negative years in investment returns are accounted for in the usual performance objectives of balanced investment options, with funds typically aiming for no more than one negative year in every five.

The key learning for us from the GFC is human behaviour does not always change in response to shocks or upheavals and a short-term perspective on investments is very hard to shift.

Being wary of bumps and shocks is only human, but super funds need to realise that we have a role to play in educating these same members so they can ride out any volatility without panicking.

Our response to the GFC was to work closely with our members to provide them with the resources, information and reassurance they needed. Our approach to managing investments did not change significantly, although we made further refinements to our downside risk protection signals. We did then, and still do manage the portfolio dynamically. In fact, each REI Super investment option invests in a combination of asset classes with each option maintaining different performance objectives, risks and investment timeframes, so members can choose what's right for them. Unlike retail or bank-owned superannuation funds, all our profits are reinvested, to build on the growth we've made in our members' super.

Volatility is not just normal, it is expected and at REI Super, we are continuing to remind members of the messages we reassured them with ten years ago. Our superior long-term investment performance highlights the benefits of maintaining a long term view, combined with expert management and low fees. Last year, SuperRatings found REI Super was just one of eight funds that doubled their members' money in the ten years since the GFC. This is why we can speak with conviction when we encourage our members to not crystallise short term losses when markets are volatile,

stay the course and remember to keep sight of both the long-term investment strategy and a portfolio that is expertly managed by your super fund.

Keeping our members informed and up-to-date is at the heart of everything we do. Our quarterly newsletter, regular promotional campaigns and social media outreach are all part of a concerted effort to build member awareness. We think this is a role all industry super funds must take when it comes to maintaining a regular touchpoint with their members and having an open dialogue over how volatility is normal. Fund members should not be forced to press the panic button and abandon ship when things go wrong.

THE KEY LEARNING FOR US FROM THE GFC IS HUMAN BEHAVIOUR DOES NOT ALWAYS CHANGE IN RESPONSE TO SHOCKS OR UPHEAVALS AND A SHORT-TERM PERSPECTIVE ON INVESTMENTS IS VERY HARD TO SHIFT.



In this environment, it's important for funds to remain cautious and protect our portfolios where we can from market shocks. But financial literacy is equally important, both in terms of raising the confidence of super fund members as well as the impetus for industry funds to realise their role as advocates for change, empowering members to become more engaged with their retirement savings.

Super funds must be focused on helping educate members about the long-term nature of their superannuation, so that when there is a downturn these same members don't react overly emotionally and put their retirement futures at risk.

For many of our members, it can be difficult to keep an eye on the road ahead, particularly in the face of volatility and market shocks. However, it's important to remember that planning for the long term is paramount and will ensure that you are safeguarded when it comes to preserving your superannuation.

SUPER FUNDS MUST BE FOCUSED ON HELPING EDUCATE MEMBERS ABOUT THE LONG-TERM NATURE OF THEIR SUPERANNUATION, SO THAT WHEN THERE IS A DOWNTURN THESE SAME MEMBERS DON'T REACT OVERLY EMOTIONALLY AND PUT THEIR RETIREMENT FUTURES AT RISK.

Mal Smith is the chief executive of Australian real estate industry fund REI Super.

REI Superannuation Fund Pty Ltd
ABN 68 056 044 770 RSE L0000314 AFSL. 240569.
REI Super ABN 76 641 658 449 RSE R1000412
MySuper unique identifier 76641658449129

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*Past performance is no indication of future performance.

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Braden Walters, REI Super member



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Definition of ‘existing energy efficiency rating statement’

An energy efficiency rating (EER) is the rating contained in an EER statement. The definition of an EER statement is found in the *Construction Occupations (Licensing) Building Energy Efficiency Assessment Sale and Lease of Residential Premises Code of Practice 2016*. According to the Code of Practice, an EER statement is only defined as ‘existing’ if:

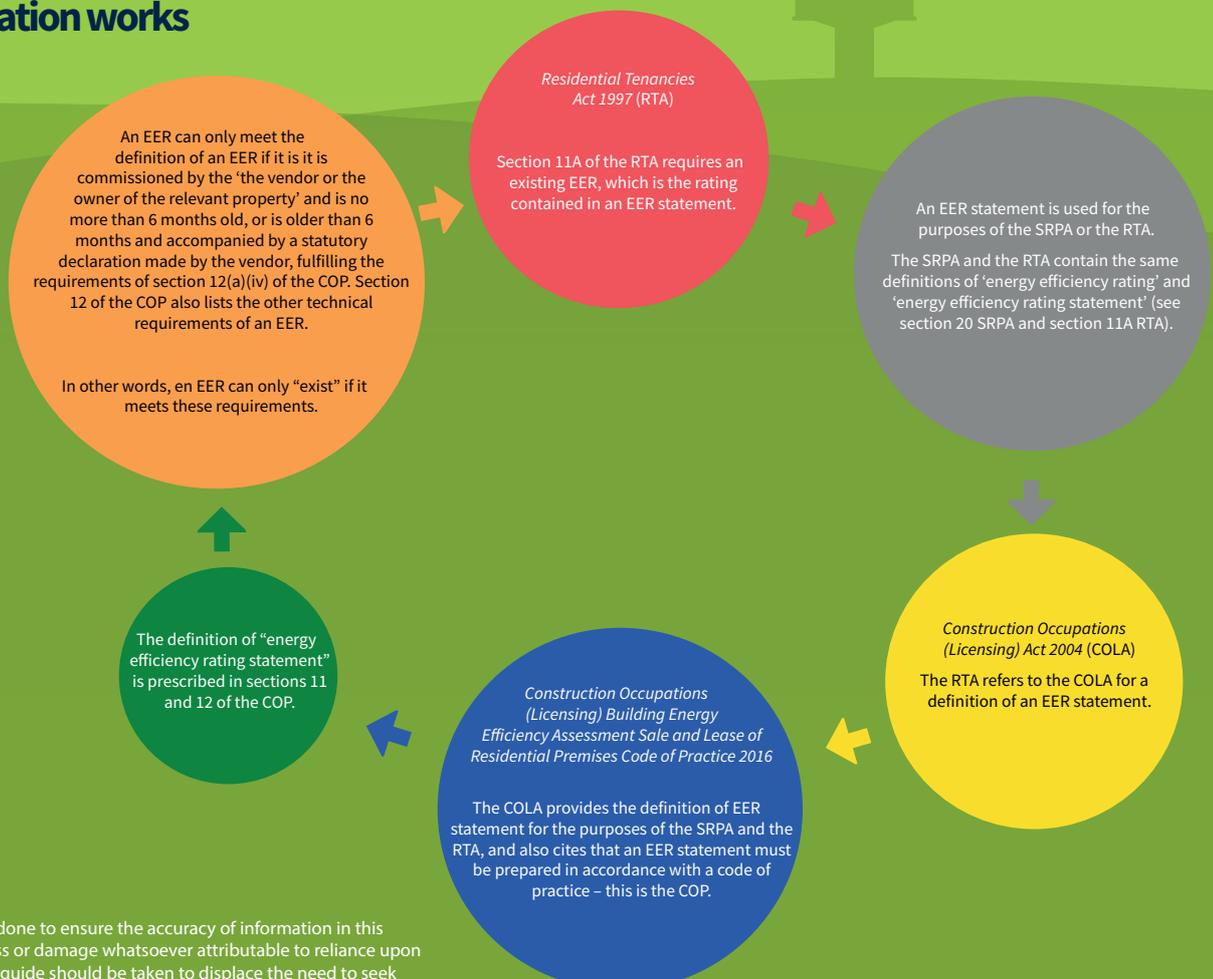
It is commissioned by the ‘the vendor or the owner of the relevant property’ and

- o **is no more than 6 months old, or**
- o **is older than 6 months and accompanied by a statutory declaration made by the vendor, fulfilling the requirements of section 12(iv) of the Code of Practice.**

Explainer:

1. Section 11A of the *Residential Tenancies Act 1997* (RTA) requires an existing EER, which is the rating contained in an EER statement.
2. An EER statement is used for the purposes of the *Civil Law (Sale of Residential Property) Act 2003* (SRPA) or the RTA
3. The RTA refers to the *Construction Occupations (Licensing) Act 2004* (COLA) for a definition of an EER statement.
4. The COLA provides the definition of EER statement for the purposes of the *Civil Law (Sale of Residential Property) Act 2003* (SRPA) and the RTA, and also cites that an EER statement must be prepared in accordance with a code of practice – this is the *Construction Occupations (Licensing) Building Energy Efficiency Assessment Sale and Lease of Residential Premises Code of Practice 2016*.
5. The definition of “energy efficiency rating statement” is prescribed in sections 11 and 12 of the Code of Practice.
6. An EER can only meet the definition of an EER if it is commissioned by the ‘the vendor or the owner of the relevant property’ and is no more than 6 months old, or is older than 6 months and accompanied by a statutory declaration made by the vendor, fulfilling the requirements of section 12(iv) of the Code of Practice. In other words, an EER can only “exist” if it meets these requirements.

How the legislation works



CHANGES TO CONVEYANCE DUTY IN THE ACT



From 18 September 2017, the ACT Government is changing the way it collects conveyance duty, also known as stamp duty. The new 'Barrier Free' model will make the process of purchasing a home faster and simpler and applies to all transactions registered on the land titles register.

Conveyance duty is a tax you pay when you buy property in the ACT, whether it's residential, commercial or rural property.

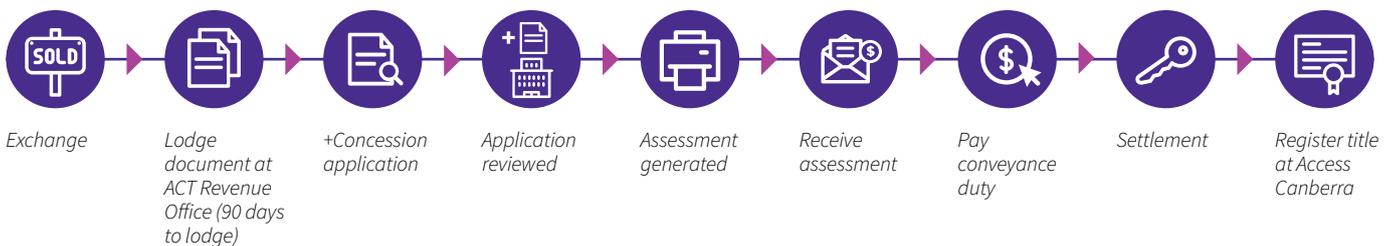
HOW IS CONVEYANCE DUTY CHANGING?

The new model will allow property buyers to pay the duty after settlement, with the payment being due within 14 days after title registration with Access Canberra.

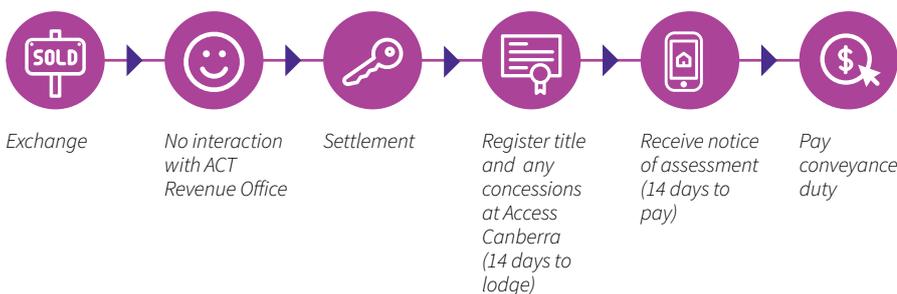
Property buyers and solicitors will be able to calculate the duty payable and determine eligibility for home buyer assistance schemes and a range of other concessions and exemptions online. The ACT Revenue Office website will provide questionnaires, information sheets and calculators to assist you with this.

The changes will make the payment process a lot simpler, greatly reducing touch points with government. After the title is registered a Notice of Assessment will be delivered to your nominated email address. Once you receive the Notice of Assessment, payments can be made online using BPAY or Electronic Funds Transfer.

CURRENT CONVEYANCING MODEL



NEW BARRIER FREE MODEL



The new 'Barrier Free' model will make the process of purchasing a home a lot faster and simpler.

WHAT IS THE NEW PROCESS FOR A CONVEYANCING TRANSACTION?

1. **Exchange contracts** on your new property.
2. **Settlement** occurs when your solicitor or bank provide the funds to the seller in exchange for the signed transfer documents for the property.
3. **Your solicitor or bank will register the title** (within 14 days of settlement) in your name with Access Canberra. You can also lodge your own documents for title registration.
4. Include the **concession code** on the transfer form if you are claiming a concession/exemption.
5. Access Canberra registers the title, and the **ACT Revenue Office is notified** of the transaction.
6. The ACT Revenue Office will issue an electronic **Notice of Assessment** to your nominated email address.
7. **Payment of duty** is required within 14 days of title registration.
8. **The ACT Revenue Office will verify** transactions to ensure that concession/exemptions have been correctly claimed and the correct amount of duty was paid.

WHEN WILL THE CHANGES HAPPEN?

The ACT Revenue Office is developing a new IT system and transforming existing business processes to suit a digital environment.

The changes will come into effect on the 18 September 2017. For further information and to keep up to date with latest news, please visit our website www.revenue.act.gov.au/barrierfree

The ACT Government is gradually reducing stamp duty as part of the Government's tax reform.

WILL IT CHANGE THE AMOUNT OF DUTY I PAY?

No, the amount of duty you pay will depend on the property's purchase price or market value, whichever is higher. The rate of duty is dependent on the execution date of the contract, grant or transfer for your transaction. You can use the online duty calculator to get an estimate of the duty you owe.

HOW DO I PAY DUTY?

Once the Barrier Free model commences, payments will no longer be made at the Access Canberra counter. Payments must be made online using the **BPAY** or **Electronic Funds Transfer** details listed on your Notice of Assessment.

HOW IS MY EXISTING TRANSACTION AFFECTED?

If the contract was executed before the commencement of the Barrier Free model, the old conveyancing rules apply (e.g. duty must be paid within 90 days of signing the contract).



CONTACT THE ACT REVENUE OFFICE

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A.C.T LEGISLATION UPGRADE ON SMOKE ALARMS *in rental properties*

Tenant's safety is changing and the ACT Government's new legislation on smoke alarms for rental properties is now into effect.

This means:

- Lessors cannot enter into tenancy agreements unless smoke alarms are installed within the property
- Smoke alarms must comply with the Building Code of Australia
- If homes are built after 1994, they must have at least 240v hard-wired alarms
- Homes built prior to 1994 can have 9v battery-operated alarms
- As per the Building Code of Australia, homes must have at least one smoke alarm per floor, and one in each space between bedrooms

While this is essentially a legislative recognition of basic safety requirements, it's going to mean higher vigilance on fire safety for landlords and property managers in ACT.

As proud sponsors of the REIACT, SATS (Smoke Alarm Testing Services) undertake all the required services to rental properties to ensure that smoke alarms are correctly installed and maintained to the new legislation requirements.

SATS are one of the leading Smoke Alarm Testing companies in Australia and implement Compliance Programs for Real Estate offices throughout Australia.

We work with these offices to maintain their rental properties to ensure that they stay compliant with the relevant legislation in their state.

SATS state of the art online agency portal system has been designed by licensed Real Estate Agents to work with your own internal office systems and minimize effort for your office.

What SATS do:

- Survey the property to ensure all smoke alarms are the correct type, quantity and they are positioned correctly
- Clean, test and maintain the smoke alarms as per manufacturers specifications with specialised smoke alarm wipes
- Replace all batteries (where replaceable)
- Keep all details of the property including smoke alarm quantity, make, model, expiry date, decibel reading and positioning, and verify the alarms meet current AU standards
- Issue a certificate of compliance within 24 hours of completion

We encourage you to have the conversation with SATS and consider working with them to ensure everything is up to the new legislation requirements. If you decide to not use a qualified professional and something goes wrong at the property, you and your landlord could be exposed to unnecessary risk and litigation.

WHILE THIS IS
ESSENTIALLY
A LEGISLATIVE
RECOGNITION
OF BASIC
SAFETY
REQUIREMENTS,
**IT'S GOING TO
MEAN HIGHER
VIGILANCE
ON FIRE
SAFETY FOR
LANDLORDS
AND PROPERTY
MANAGERS
IN ACT.**

**SATS help you maintain
your Duty of Care to both
your Landlord and Tenant**

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CHANGES TO ACT SMOKE ALARM LEGISLATION

On August 24th 2016, the ACT government announced the Residential Tenancies Legislation Amendment Act 2016. This Act will amend the Residential Tenancies Act 1997. Legislation will be passed no later than 12 months after the announcement date.

WHAT ARE THE NEW LAWS?

The Amendment Act will see changes to Landlord's smoke alarm responsibilities. As per the new Legislation, Landlords will be responsible for the installation and maintenance of smoke alarms in residential properties.

WHAT DOES THIS MEAN FOR HOME OWNERS?

- All properties with new tenancy agreements **MUST** have smoke alarms installed and maintained in their property as per the legislation requirements.
- Smoke alarms must be installed and maintained as per Building Code of Australia
- All Landlords will have **NO** more than 12 months to comply with new legislation

HOW WILL SATS MAKE YOUR PROPERTY COMPLIANT?

- By installing quality Brooks Photo-electric smoke alarms (European made) in all areas required to ensure compliance
- By working directly with your Property Manager to ensure that your property remains compliant.
- By offering a full 10-year warranty on all alarms and installation



SATS PROFESSIONAL SERVICING

As the property owner I authorise for SATS to annually attend my property at the below address and undertake the service selected below. SATS may undertake any alterations, relocate or add additional alarms at my property to comply with the current legislation.

Smoke Alarms

- Check, test and servicing of smoke alarms
- Unlimited visits to the property
- **\$25.00** - 9V Photo-Electric supply and install of Brooks (European made) smoke alarms
- **\$50.00** - 240V Photo-Electric supply and install of Brooks (European made) smoke alarms (replacement of existing only)
- Issue a certificate of compliance

\$99
per annum

LANDLORD SERVICING

Landlord (DIY)

I will provide the following information to my Property Manager annually and at change of tenancy verifying my property is compliant.

Date of test: _____ Number of levels: _____ Number of bedrooms: _____

Type	Location	Power	Make	Model	Expiry Date	dB Reading	Date of battery change

I have inspected the below property, tested and serviced all smoke alarms as per manufacturer's instructions and installed new batteries where replaceable. The smoke alarm/s are in working order, the correct type & correctly located to meet my state legislation. I understand the risks involved if my property is non compliant.

Landlord Name: _____

Landlord Signature & Date: _____ / /

Property Address: _____



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