



# REI ACT

REAL ESTATE INSTITUTE  
OF THE AUSTRALIAN CAPITAL TERRITORY

December 2018

**A 40 year career  
in real estate**

**PAGE 26**

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## 2017–2018 COMMITTEE STRUCTURE

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# FROM THE *President*

## Welcome to Summer

I guess it would be fair to say that from a Real Estate perspective, we have experienced a relatively cool Spring this year, but as a great believer in the statistical side of the industry, (as we all know, statistics don't lie... do they?) it appears that we have a constant market. If you follow the Allhomes figures like I do, you will have noticed that with 750 to 1,000 properties being listed For Sale each week the total number of properties For Sale hasn't increased and is just over 3,000. This indicates that whilst the Auction method of sale is not as successful as previously, there are still between 750 to 1000 sales per week.

For those of you that remember my comment last quarter, that "every seller is a buyer!" then perhaps there is a silver lining in every cloud. With less properties now expected to come onto the market until, say, February 2019 and plenty of properties currently under offer and expected to exchange before Xmas, we may get a kick start to 2019 with reduced stock levels leading to increased competition?? Or, is my light at the end of the tunnel just the train coming the other way?

As mentioned in my last column, the Royal Commission into the Financial industry has caused a slight murmur and resulted in the banks getting hit with a feather duster. The Government certainly doesn't want to destabilise the Australian Banking system so a few fines have been levied and monies repaid for services that weren't rendered or requested and guess who foots the bill?

The banks have increased interest rates to their borrowers stating the cost of raising funds, but the reality is the banks are just recouping what the enquiry has cost them! My advice would be to shop around as cheaper loans could be available elsewhere.

As you are all aware, we have a Federal Election early next year and at this stage it would appear that the Labor Party have a reasonable chance of success. Labor will most likely increase the size of the APS as they have done previously which in the medium to long term will be good for Canberra.

However they have also stated that they will "at a date to be determined reform negative gearing and the capital gains tax discount to ensure that our tax system is fair, sustainable and targets jobs and growth". No real modeling appears to have been done and it may well turn out to be similar to "Trump's Wall", just said to attract votes?



**MICHAEL KUMM**  
President REI ACT

In closing, I would like to wish everyone a very merry Christmas, especially the hard working staff at REI ACT and I look forward to catching up with you in the new year.

**WITH LESS PROPERTIES NOW  
EXPECTED TO COME ONTO THE  
MARKET UNTIL FEBRUARY 2019  
AND PLENTY OF PROPERTIES  
CURRENTLY UNDER OFFER  
AND EXPECTED TO EXCHANGE  
BEFORE XMAS, WE MAY GET  
A KICK START TO 2019**



## FROM THE *CEO*

**As we prepare to farewell 2018 and welcome in the new year, I find myself reflecting on so many changes in a year that seems to have flown by much faster than previous ones.**

In the past 12 months we have seen the effects on our Industry of APRA, the Royal Banking Commission and yet another Prime Minister. Looking forward to 2019, there are many more changes to come.

Federally there is a very high probability we will see a change in Government and with that major changes to Negative Gearing. Locally we will see the debate on legislation tabled in November for major changes to the Residential Tenancies Act. Whilst much work has been done by the Institute with government in 2018, there is much more to do in 2019.

This year we have continued to grow the Institute, the appointment of our dedicated Membership and Marketing Manager, Leigh Watson, has enabled us to provide more services and assistance to our members as well as enable greater exposure and engagement for the Institute's sponsors.

Next year, we will hit the ground running again with our CPD Training, industry seminars series for Agents Beware with BAL Lawyers, Empowerment Hours with My Connect, and our WIRE events. The 2019 REIA Awards for Excellence will be held in March in Perth with the ACT represented in 11 of the 16 categories.

As we turn our focus to the upcoming holiday period, I would like to thank you for your support in 2018. A colleague said to me that membership to your Institute in no different to your membership to the gym — the more you put into it, the more you get out of it. Your support this year has enabled the Institute to continue to collaborate with and influence government policy, shape the review of the Federal training package, grow both state and national Awards for Excellence categories and updates to submission criteria to reflect the industry today and in the future, and enable the continued development of REI Forms Live.

Finally, on behalf of the REIACT Board and staff, I wish you and your family a wonderful Christmas and safe, happy and prosperous 2019.

**WHILST MUCH WORK HAS BEEN DONE BY THE INSTITUTE WITH GOVERNMENT IN 2018, THERE IS MUCH MORE TO DO IN 2019**



**MICHELLE TYNAN**



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## WELCOME *new members*



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# IN *brief*

## Better suburbs and housing choices

The ACT Government has been consulting with ACT community around policy for delivery of better places for Canberrans to live.

Two key consultation reports are now released — one that seeks to develop suburbs that are inclusive and foster community pride and another to improve housing choices.

The aim of the suburb consultation was to ensure sustainable services are delivered that suit our growing population and changing community needs. The housing consultation aimed to gain broad views on how housing policy can be improved to meet the needs of the ACT into the future.

Not surprisingly, affordability was a key issue in the latter but there was also wide recognition that the 'missing middle' ie medium-density dwellings, will be key to Canberra maintaining its idyllic reputation as the "bush capital" and "garden city" as it grows into a medium sized city. Recommendations focussed on 9 themes, namely: zoning, planning and approvals, affordability, character, public housing, quality of design and construction, and lifestyle and diversity.

For more information on both consultations, visit [yoursay.act.gov.au/BetterSuburbs](https://yoursay.act.gov.au/BetterSuburbs) and [yoursay.act.gov.au/housing-choices](https://yoursay.act.gov.au/housing-choices)

## Online Business Directory + member benefits

If you are having trouble finding that special service or product supplier that can help your business, take a look at the REIACT Online Business Directory.

The Directory has been established to help REIACT members easily find and connect with those suppliers who are used to dealing with real estate agents and familiar with their needs such as cleaners, conveyancers, office product, pest inspectors — to name just a few.

On top of that many of the subscribers are offering substantial benefits just for REIACT members including discounts, free gifts and special services. One example includes Mercedes Benz who is offering REIACT members a reduced dealer delivery fee, complimentary scheduled servicing at an authorised participating Mercedes-Benz dealership for up to 3 years or 75,000 km<sup>2</sup> (whichever comes first), and 4 years complimentary Mercedes-Benz Road Care nationwide. Check it out [reiaact.com.au/business-directory](https://reiaact.com.au/business-directory)



## RTA Review by ACT Government

We continue to consult with ACT Government on the draft amendments to the ACT Residential Tenancy Act, announced in October by the Attorney General Minister Gordon Ramsay.

While we understand the ACT Government feeling compelled to adopt legislation changes as per the Victorian Government's recent changes to their residential tenancy legislation, we believe they have not been comprehensive enough in their approach and have failed to understand the broader implications of the Victorian changes.

Overall we stressed that most of the proposed amendments would result in yet another cost impost on investors and eventually passed onto tenants. We also explained that while it seems Victoria has adopted stricter legislation in its recent amendments, in substance they actually provide less protection to tenants than the existing ACT legislation.

We will be continuing to stress to ACT Government that these unintended consequences will result in a reduction in the total number of rental properties, severely impacting vacancy rates which are already dangerously low at .57% (September Quarter).

At this stage, the legislation was due to be debated in February 2019.

## Cyber Security grants for small business

The Australian Small Business and Family Enterprise Ombudsman, Kate Carnell has announced that eligible small businesses with 19 or less employees can apply for a grant for a certified cyber security health check to determine business risks and areas that need attention.

Cyber criminals are becoming more sophisticated and Australian statistics show more cyber-attacks are hitting small businesses. Research also shows around one in five small businesses report they have been the target of a cyber-attack and over half (56%) either don't have cyber-crime protection or assume it is covered through their business insurance.

For details visit [business.gov.au](https://business.gov.au)

**ONE IN FIVE SMALL BUSINESSES REPORT THEY HAVE BEEN THE TARGET OF A CYBER-ATTACK AND OVER HALF (56%) EITHER DON'T HAVE CYBER-CRIME PROTECTION OR ASSUME IT IS COVERED THROUGH THEIR BUSINESS INSURANCE**

## Traineeships help you get new staff on board

Real Estate Training Solutions\* offer Government subsidised traineeships to new employees in the real estate sector in the ACT. Traineeships combine work and on-the-job structured and supported training. The Salespersons Registration Certificate is included as part of the qualification and is rolled out at the beginning of the traineeship to ensure your staff are registered with Access Canberra as soon as possible. On successful completion of their course students receive a CPP40307 Certificate IV in Property Services (Real Estate) which is a nationally recognised qualification. Employers may receive incentive payments to place a trainee in their workplace. Australian Apprenticeships and Traineeships are an ACT and Australian Government initiative.

\*Real Estate Training Solutions Pty Ltd (RETS) is an Australian Skills Quality Authority (ASQA) Registered Training Organisation (RTO ID 90897)



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# RENTAL BONDS PORTAL



## FACTSHEET FOR REAL ESTATE AGENTS

### What is the ACT Rental Bonds Portal?

The Portal is an online service which provides Real Estate Agents the ability to lodge, manage and request refunds for bonds online. The Portal provides a 360 degree view of bonds lodged via the service, making it easy for users to track the status of their bonds.

Agency Administrators are able to register an account for their agency, update their agency profile and add Property Managers to their account to manage bonds.

### How do I register for the Portal?

Registration is completed from the Portal home page. This is accessible through the ACT Revenue Office Rental Bonds webpage located at [www.revenue.act.gov.au](http://www.revenue.act.gov.au).

You will need your ABN, agent licence number, contact information and bank details to complete the registration process. Once you have completed this process you will be sent an activation email. You have 48 hours to activate your account.

### How many agent administrators and property managers can we have?

It is recommended that you have a minimum of two Agency Administrators, this is both for security reasons and to ensure you have someone available to update your account details and users as needed. You can add as many Property Managers as needed.

Both Agency Administrators and Property Managers are able to lodge and refund bonds online.

### How do I lodge a bond?

Once you are registered for the Portal you can complete the bond lodgement process online. You will be required to enter the details of the bond during a single session, you cannot return to the bond to edit the lodgement at a later stage.

If you have made an error you will need to contact the Rental Bonds Office for assistance.

Note: Bonds with a Housing ACT Bond Help Loan should not be entered via the Portal.

### Can the bond be paid in instalments?

Yes, payments may be made in instalments for single bond lodgements. Each instalment should be made using the same BSB and account number provided for the bond.

Please note, we only accept full payment for bulk lodgements. Underpaid bulk lodgements will be rejected and a new payment in full will be required.

### How do I request a bond refund?

Bonds lodged via the Portal will also be refunded via the Portal. This is in addition to the requirement to provide the tenant with a signed Bond Release Application.

When requesting a refund, you will be required to enter the distribution amounts for the bond i.e. the amount being refunded to the tenant and any amount being claimed by the lessor, together with the bank details for the tenants.

If the tenants have changed their email address you will need to update this information when submitting the refund request.

Tenants will be notified via email if the whole bond amount is to be refunded to them.

If less than 100% of the bond is to be refunded to the tenants, they will receive a Bond Refund Notice generated by the Portal. This will detail the requested distribution of the bond. Tenants have 14 days to respond via email to [rb@act.gov.au](mailto:rb@act.gov.au).

The same process and timeframes apply if a tenant initiates the request for a bond refund, with the respective agent being sent the Bond Refund Notice for a response. All refunds are paid by bank transfer.

# RENTAL BONDS PORTAL



## FACTSHEET FOR REAL ESTATE AGENTS

### How will my existing bonds be managed?

Bonds lodged with the Rental Bonds Office, that you received a receipt for prior to the Portal going live, will continue to be managed under the procedures and system in place at the time the lodgement was processed.

A Bond Refund form will need to be completed and emailed to [rb@act.gov.au](mailto:rb@act.gov.au) to request a refund for these bonds.

### Are there any transitional arrangements?

The transitional arrangements have been revised as follows:

Bond Lodgement forms received by the Rental Bonds Office prior to 1 December 2018 will be entered into the Portal on your behalf, provided you have registered for the Portal.

This includes single bond lodgements received prior to the Portal going live, that you have **not** yet received a receipt for. Bulk lodgements will continue to be entered into the old system and managed under the processes and system in place at the time.

### How are bonds with a Housing ACT Help Loan lodged?

Bonds with a Housing ACT Help Loan must be lodged using the associated Bond Lodgement Form which can be downloaded from the ACT Revenue Office website. The completed form should be emailed to [rb@act.gov.au](mailto:rb@act.gov.au).

The Rental Bonds Office will enter the bond into the Portal and assign it to the corresponding agency's Portal account. They will then email the agency or tenant that submitted the form, the bond number and unique payment reference details, allowing payment of the tenant's portion of the bond to be made.

For further information you can visit the ACT Revenue Office website located at [www.revenue.act.gov.au](http://www.revenue.act.gov.au).



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## REIACT CPD *training*

**REIACT's training partner, Real Mastery Consulting (RMC), has created a new range of exciting CPD courses for 2019.**

Property and Training Manager Charmaine Potts is excited about the new courses and looking forward to running them with REIACT members next year.

"We've taken your requests on board and have responded with new courses according to your needs.

"This includes a course specifically for commercial, industrial and retail agents, '**Commercial agents WH&S toolbox**' which will provide the information and skills required to protect all stakeholders involved in the management of WH&S in commercial property management.

"We've also developed a course '**A case of misrepresentation**' that reviews mistakes agents make when representing properties with real life case studies and how to ensure you are not one of them! Property Managers working in all sizes of agencies will find our new course '**Planning for a smooth final inspection**' invaluable, as this can be the most difficult time when managing properties," said Charmaine.

Classes are interactive and fun and participants are encouraged to ask questions and share their knowledge. The course trainers will also provide free advice and ongoing support for all participants for 12 months following a training session. RMC are also happy to discuss the option of personalised in-house training for your staff — if you would like more information about this option contact RMC directly to discuss.

**For full listing of the 2019 CPD course menu visit [reiaact.com.au/services/training](http://reiaact.com.au/services/training)**



**Rosalie Douglas**  
Director & Trainer,  
Real Mastery since 2008

### Registration and Licence training

Of course, REIACT members and other agents are also able to undertake the ACT Certificate of Registration Training and ACT Real Estate Licence Qualification in 2019.

For details and to book visit [reiaact.com.au/services/training](http://reiaact.com.au/services/training)



**Charmaine Potts**  
General Manager and  
Client Care Manager,  
Real Mastery since 2008

# AIM FOR YOUR ACT REAL ESTATE LICENCE QUALIFICATION *in 2019*

\*Please note this course can only be offered to agents with a minimum of 24 months experience in the real estate industry. You may be eligible to qualify for Recognition of Prior Learning for subjects within the course content — contact us to find out more.

TOPIC	DATE
<input type="checkbox"/> Introductory Day — Overview of the program and assessments, and prospecting tools for Sales & Property Management	Mon 5th August 2019
<input type="checkbox"/> Auctions	Tues 6th August 2019
<input type="checkbox"/> Legislation, Compliance & Budgets	Wed 7th August 2019
<input type="checkbox"/> Trust Accounting	Thurs 8th August 2019
<input type="checkbox"/> Property Management & Sales Recruitment	Tues 20th August 2019
<input type="checkbox"/> Property Management Sales & Business Plans	Wed 21st August 2019
<input type="checkbox"/> Sales & Business Plans	Thurs 22nd August 2019
<input type="checkbox"/> Overview Day — Review of key legislation, review of sales and property management checklists and procedures	Fri 23rd August 2019

First Name: \_\_\_\_\_

Surname: \_\_\_\_\_

Contact Ph: \_\_\_\_\_

Email: \_\_\_\_\_

Office: \_\_\_\_\_

REI ACT Member:  Yes  No

We are here to answer your questions and assist you! **Please contact 02 8005 1292.**  
RTO issuing Statement of Attainment is MRT Training RTO ID: 41529

## Details

**TIME** 9am – 5pm  
**LOCATION** Bradley Allen Love  
Lawyers  
Level 9, 40 Marcus  
Clark Street  
Canberra City

## Investment

**REI ACT member** \$3,000 pp\* GST  
**Non REI ACT member** \$3,500 pp\* GST

Individual REI ACT membership is \$200 pp inc GST

\*Payment plans available



# REIACT EVENTS *calendar*

Event	FEB	MAR	APR	MAY	JUN
<b>CPD Training and ACT Real Estate Licence Course</b>	<b>Property Management</b> Wednesday <b>20th February</b>	<b>Sales</b> Friday <b>15th March</b>	<b>Trust Accounting</b> Wednesday <b>10th April</b>	<b>Recruitment &amp; Development</b> Friday <b>16th May</b>	<b>Auctions</b> Tuesday <b>11th June</b>
				<b>Business Plan and Challenges for Agents</b> Wednesday <b>29th May</b>	
<b>ACT Certificate of Registration Course</b>	Thursday / Friday 14th and <b>15th February</b>				Wednesday / Thursday <b>12th and 13th June</b>
<b>Empowerment Hours</b>	Wednesday <b>20th February</b>				Wednesday <b>12th June</b>
<b>WIRE (Women In Real Estate)</b>		<b>Wire Luncheon</b> Wednesday <b>6th March</b>		<b>Wire High Tea</b> Thursday <b>23rd May</b>	
<b>Agents Beware</b>	Tuesday <b>12th February</b>		Tuesday <b>2nd April</b>	Tuesday <b>14th May</b>	Tuesday <b>25th June</b>
<b>Annual General Meeting</b>			Wednesday <b>10th April</b>		
<b>REIACT Awards for Excellence</b>				<b>Nominations Open</b> Wednesday <b>1st May</b>	<b>Nominations Close</b> Wednesday <b>12th June</b>
<b>REIACT Real Estate Expo</b>					Wednesday <b>19th June</b>
<b>REIACT — Allhomes State of the Market</b>					
<b>REIACT Auctioneering Championships</b>					
<b>REIACT Members Christmas Drinks</b>					

	JUL	AUG	SEP	OCT	NOV	DEC
	<b>Agreements and Listings</b> Friday <b>12th July</b>	<b>Budgets and Financial Plans</b> Wednesday <b>7th August</b>		<b>Sales</b> Wednesday <b>16th October</b>	<b>Trust Accounting</b> Friday <b>22nd November</b>	<b>Recruitment and Development</b> Wednesday <b>4th December</b>
		<b>Property Management</b> Wednesday <b>21st August</b>				
		Tuesday / Wednesday <b>20th</b> <b>and 21st August</b>				Wednesday / Thursday <b>4th and</b> <b>5th December</b>
		Wednesday <b>14th</b> <b>August</b>		Wednesday <b>23rd</b> <b>October</b>		
		<b>Cocktail Hour</b> Wednesday <b>7th August</b>			<b>High Tea</b> Thursday <b>7th November</b>	
		Tuesday <b>6th August</b>	Tuesday <b>24th</b> <b>September</b>		Tuesday <b>12th</b> <b>November</b>	
	<b>Submissions Close</b> Wednesday <b>31st July</b>		<b>Gala Dinner</b> Saturday <b>14th September</b>			
	Wednesday <b>10th July</b>					
	Thursday <b>25th July</b>					
						Wednesday <b>4th December</b>



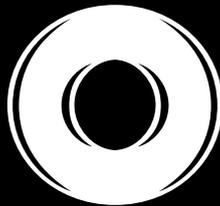
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# SUNSETS, NO GUARANTEE OF A SUNRISE IN YOUR NEW UNIT

## — *the importance of a sunset date when buying off-the-plan*

By Julian Pozza BAL Lawyers

With the tightening of lending conditions, confidence in the housing market falling and a large number of developments in the pipeline, there poses great opportunity but also risk when buying a unit off-the-plan. Whilst there is of course the attractiveness of living in something “new”, with modern appliances and furnishings and living close to shops, cafes and other amenities, how long would you be willing to wait for your unit to be built?

For many developments, banks (as part of their lending conditions) require the developer to obtain a certain number of pre-sales. This means that part of the development will need to be sold before construction commences. Whilst this may not be an initial concern for most buyers there lies an obvious risk in that the developer may have difficulties obtaining the requisite number of pre-sales and the construction of the development is delayed as a result.

To accommodate the risk of a delay, whether due to funding or the construction itself, developers will include a provision in the contract to allow for the developer to extend the anticipated date of completion (usually tied to the registration of the units plan) at its discretion. The obvious consequence for buyers then is that they may be bound to a contract under which the construction of their unit may not commence or be completed for a number of years, despite there being initial timeframes stated in the contract.

To be able to “opt out” of the contract in such circumstances, buyers should ensure a sunset date is included in the contract. A sunset date gives both parties the right to rescind the contract (and for the return of the deposit) where construction of the development has not been completed by the date specified in the contract. In our experience, such a request is generally accommodated if the sunset date provides the developer a reasonable time to complete the development.

The use of a sunset date though is a double-edged sword. It poses another issue: what happens if the value of the unit increases and the sunset date passes, should the developer be entitled to rescind the contract to take advantage of the price increase?

This practice has occurred in Victoria and New South Wales, leading to the introduction of legislative restrictions. In NSW, the Conveyancing Amendment (Sunset Clauses) Act 2015 requires developers to seek the buyer’s consent prior to bringing the contract to an end once the sunset date has passed. Where the buyer does not consent, the developer must seek an order from the Supreme Court allowing the developer to rescind the Contract with such orders only being granted if the Court considers it just and equitable to do so. Similar restrictions will be introduced in Victoria under the Sale of Land Amendment Bill 2018 (if passed).

**So, will the ACT follow the lead of NSW and Victoria? Or will the ACT follow Queensland and introduce mandatory sunset dates? Whatever the path, clearly the introduction of any such legislative amendments will have a significant impact on both buyers and developers and each should watch this space.**



**By Julian Pozza**

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# AUSTRALASIAN AUCTIONEERING CHAMPIONSHIPS — *Alec Brown: the first ACT representative to make the final five*

**Alec Brown and Mark Larmer represented the REIACT at the REIA & REINZ Australasian Auctioneering Championships in Auckland in October.**

Alec Brown and Mark Larmer represented the REIACT at the REIA & REINZ Australasian Auctioneering Championships in Auckland in October.

In Order of Appearance draw Mark Larmer drew barrier number one and Alec Brown, number fourteen. Both delivered very polished calls, with the trigger points of the sequence handled with ease. Mark and Alec were fantastic ambassadors for both the ACT and the Institute. Rapturous applause followed the announcement of Alec Brown as a finalist, the first ever ACT competitor to make the coveted final five.

Day two saw Alec compete against the might of the Kiwis Andrew North and John Bowring, South Australia, Bronte Manuel, and Queenslander Mitchell Peereboom. Alec gave a near faultless call in the final, which produced another intricate bidding sequence requiring all competitors to use all of their skills to negotiate the correct outcome.

In a stellar performance, the veteran Kiwi, Andrew North was judged best on ground, taking home the coveted Australasian Champion's title in 2018.



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## Check out these two great home loan offers we have for REIACT Members.



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- **Access dedicated support** – from your St.George representative and a team of local lending managers
- **The process is simple** – all you need to do is send us your client's name and number and we'll give them a call.



#### Ask me how

For more information, please contact me – your local St.George home loan specialist.

#### Amanda Vella

Relationship Manager

 0466 398 357

 [partners@stgeorge.com.au](mailto:partners@stgeorge.com.au)

## [stgeorge.com.au/homeloans](http://stgeorge.com.au/homeloans)

**Things you should know:** \*Under the cash back offer ("Alliance Benefit") applicants whose new St.George standard home loan is approved after 1 October 2018 will receive as a cash benefit an amount equal to 0.3% of the loan balance (less any amounts in an offset account linked to the loan) calculated on the 3rd business day after settlement. For Construction Loans the cash back will be 0.3% of the credit limit. The Alliance Benefit will be paid within 60 days of settlement into the applicant's St.George transaction account. The transaction account must be linked to applicant's home loan account and all home loan repayments are to be direct debited from that transaction account. The Alliance Benefit is only available to applicants who have a REIACT membership. Only one Alliance Benefit will be paid in respect of each approved new home loan. The Alliance Benefit will not be paid where the new home loan is a refinance of a Westpac, St.George, BankSA, Bank of Melbourne or RAMS home loan except where the applicant borrows an additional amount. The Alliance Benefit will then be calculated on the additional amount borrowed. The Alliance Benefit offer commences 1 October 2018 and is only available until 30 September 2019 and may be varied or withdrawn at any time. The Alliance Benefit is not available on Portfolio Loans and Relocation Loans. Fees, charges and terms and conditions apply on all home loans. Loan approval is subject to an assessment of the applicant's objectives and financial circumstances and St.George's credit criteria. This information has been prepared without taking your objectives, needs and overall financial situation into account. For this reason, you should consider the appropriateness of the information and, if necessary, seek appropriate professional advice, including advice on any tax consequences © St.George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714. WBF18/WBG075

# SMALL BUSINESS *and mental health*

**It can be tough starting and growing a small business. Often the hours are long, cash can be tight and you have to constantly overcome obstacles.**

The 2017 *Payment Times and Practices Inquiry* research report by the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) found the stress of late payments, cash flow and debt affected the mental wellbeing of over three quarters of the small business owners surveyed. A staggering 93% reported personal and family hardship as a result of late payment.

This is why it's so important to take a proactive approach to your own health and wellbeing. Being aware of your mental health needs and the needs of your employees, can also have a positive impact on business sustainability.

If you understand the warning signs of poor mental health, you will be better placed to recognise if colleagues, staff members, family or friends might be struggling and support them.

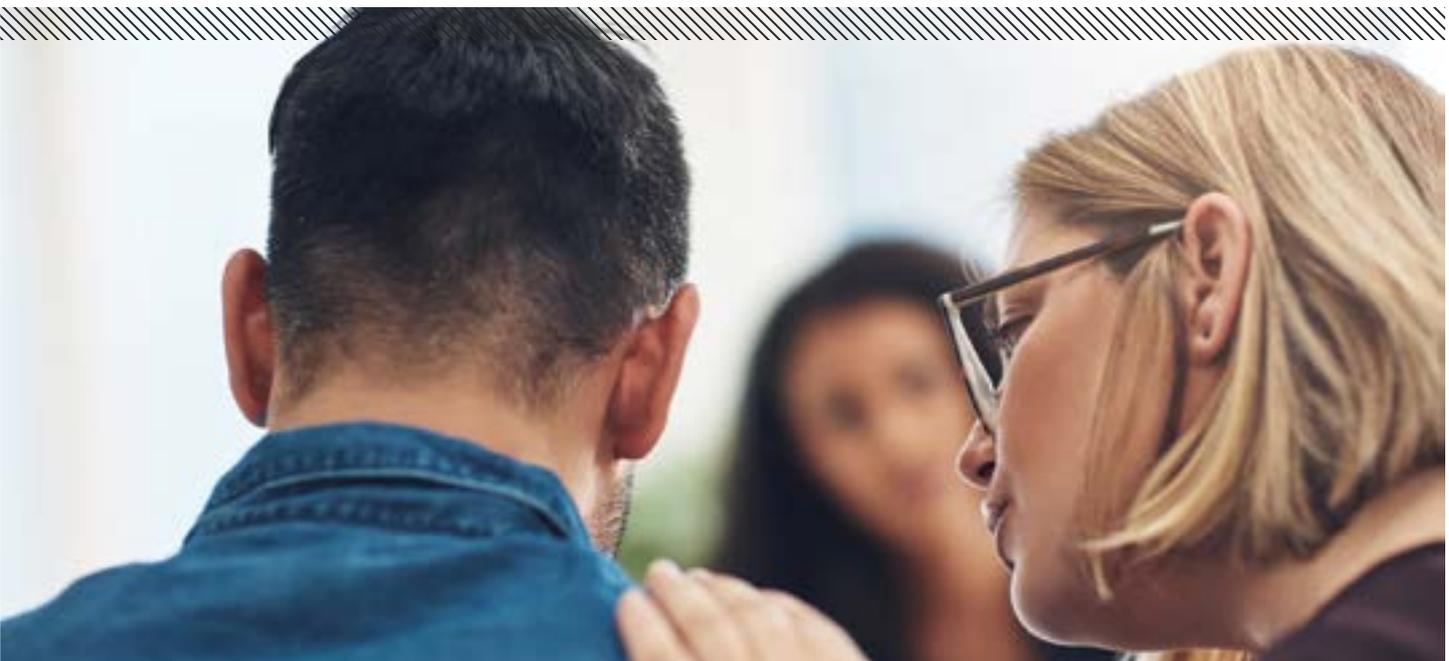
If you own a business, you might experience workplace pressures such as:

- long hours and an intense working environment
- blurred boundaries between work and home — responding to business calls and emails out of hours
- holding multiple roles within the business
- pressure to manage ongoing cash flow and financial issues — chasing invoices, worrying over where the next job will come from
- responsibility for the overall business and its success — also to employees and family who depend on its success.

Common signs that can indicate unhealthy levels of work stress include:

- difficulty concentrating on tasks
- fatigue and exhaustion at work and at home
- being unusually tearful or emotional
- getting angry easily or frustrated with tasks or people
- drinking alcohol to cope
- finding it hard to make decisions
- avoiding social situations.

If you recognise some of these signs in yourself, you are not alone. There are steps you can take to help ease the pressures that come with being a business owner.



These include:

- maintaining a healthy lifestyle — eating healthily, exercising, getting enough sleep, and avoiding harmful levels of alcohol and other drugs
- where possible, avoid checking your email or answering work calls out of hours, especially late at night
- setting aside time for the things you enjoy
- spending time with family and close friends, and accepting social invitations (even though it might be the last thing you feel like doing)
- staying connected with people, as it helps boost your wellbeing and confidence
- joining business network groups or creating other opportunities to connect with small business owners to share experiences
- acknowledging your achievements.

A practical way to implement these changes is to have a plan. The Victorian Small Business Commission has a great planning tool available via the [Heads Up website](#).

If you're struggling with work demands, or other aspects of your life such as relationships, and it is affecting your work or business, speaking to a friend, GP or a health professional is the best way to help yourself to get back on track.

Mentally healthy workplaces have leaders who remain vigilant to the needs of their team. In a small business or family enterprise, there are often regular opportunities to observe when someone is acting out of character. If you're worried about an employee or family member, make a note of your observations and have a chat with them.

## Further information

**If you or your employees need immediate help call Lifeline on 13 11 14.**

For more information on understanding and managing workplace stress and taking care of yourself at work, visit the [Heads Up website](#).

The [ASBFEO website](#) also provides free information on support services available to help small business owners.

Mental health professionals are available 24/7 at the *beyondblue* Support Service. You can contact them on 1300 22 4636 or via [beyondblue.org.au/get-support](https://beyondblue.org.au/get-support) for online chat (3pm-12am AEST) or email responses (within 24 hours).



The Australian Small Business and Family Enterprise Ombudsman Kate Carnell was a special guest at an Empowerment Hour in November, where she spoke with REIACT members about the importance of ensuring the mental health of their staff and themselves while managing their real estate business. She stressed that achieving a mental health-friendly business could actually improve productivity and benefit your bottom line.



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\*Across Australia, 84% of Terri Scheer customers paid \$1 or less a day for their Landlord Insurance policy. Premium is based on all Terri Scheer Landlord Preferred and Landlord Self-Managed Insurance policies purchased or renewed in the 12 months 01/07/2016 – 31/07/17, inclusive of taxes. Conditions and eligibility criteria apply. Consult your tax advisor in relation to tax deductibility of premium. Terri Scheer Insurance Pty Limited (ABN 76 070 874 798, AFSL 218585) acts on behalf of the landlord insurance product issuer, AAI Limited (ABN 48 005 297 807 AFSL 230859) trading as Vero Insurance. Please consider the Product Disclosure Statement before making any decision about this product. Call 1800 804 016 for a copy.

# A 40 YEAR CAREER *in real estate*

## **In 2003 the REIACT awarded Jim Notaras with a life member award for services to the real estate industry during his 40-year career in the ACT.**

There are not many people in the ACT like Jim Notaras who can lay claim to a career spanning 40 years across commercial and residential real estate in the capital region. When you consider that on top of his real estate work, he also had a broad range of other (though related) experiences, it is true to say that Jim's had a unique front-seat view of the ACT business and property world. The lessons he learned from his other experiences — such as building and operating a child care centre, founding and managing a department store, and running full working farms, were ones that actually enhanced his real estate career.

Jim's on-the-ground knowledge and understanding of the political and other complexities related to the industry are boundless and he could easily be forgiven had he developed a sense of arrogance, but Jim is nothing if not humble. He is, though, obviously proud of the contribution he has made to the ACT and the legacy of hard work he has passed on to his children. Real estate is clearly a Notaras family affair — his wife Sophia has been a partner in many of his real estate and other business ventures; daughters Elini and Lia are both in real estate, and a third daughter Parissa, is a lawyer for an international development company.

It is a career that has stood Jim well and one that he has enjoyed immensely due largely, he says, to the diversity his career has spanned. From his first role in 1970 with LJ Hookers where he stayed until 1980, Jim worked across the areas of commercial, residential and rural in both sales and property management.

"I started off in Hookers when a friend asked me to come and work for him. In that role I sold some very famous properties including Sir Les Hooker's own property in Tumberumba!"

Jim had grown up in Canberra and seen first hand his father's involvement with investment and management of his own properties in Yass and Queanbeyan.

"He was always friendly with his tenants. That's something that came across strongly to me, that the best way to look after properties was to look after your tenant," he explained, as a basis for his own approach to property management.

Not surprisingly Jim has seen many changes in his time.

"In the ACT back then most houses were sold through direct sale rather than auction which is now the preferred method for most sales transactions in the ACT as it's easier."

"And then for a time in the 1980s we had 'Multi-Listing' whereby agents would be able to sell each other's listing and the lister would receive a share of the commission. You could have a situation where you would take a buyer to see a house in the morning and in the afternoon another agent would take someone. This was difficult at times if both prospective buyers wanted to buy it."

With his family so entrenched in the industry, Jim obviously believes that the real estate industry provides a valid career choice and says he would heartily recommend it to young people leaving school and trying to decide what they want to do.

"There will always be people buying and selling so you will always have work. I'd advise anyone considering it as a career to do a traineeship first with a large firm like Blackshaws, Lutons, Hookers or Independent Group." But he stresses it's not always easy.

**JIM HAD GROWN UP IN CANBERRA AND SEEN FIRST HAND HIS FATHER'S INVOLVEMENT WITH INVESTMENT AND MANAGEMENT OF HIS OWN PROPERTIES IN YASS AND QUEANBEYAN.**



“It’s a challenging career, it’s people orientated and if you are good at it, it’s well paid and lucrative. One thing you definitely need is lots of patience. You need to be able to accept that not everyone thinks the same way as you do about the value and attributes of a property including the owners and possible purchaser — for instance you may need to convince the purchaser, using logic, that the house is worth the asking price and of the benefits of living in the areas. And of course, you need to have a competitive personality.”

Jim’s involvement with REIACT goes back to 1972.

“Back then agents were classed in the same category along with car sales people. I realised that being a member of a good professional body was important.”

When he was invited to join the REIACT Board in 1998, it was a no-brainer for him and he was keenly interested in working with the institute and helping it in its work and continued as a Director until 2004. Jim’s desire to see the property sector flourish in the ACT also led him to become a committee member of the ACT Property Council for 8 years.

And at the same time as he spruiks the industry, including its role in developing communities, Jim is dismayed that the ACT Government seems to be putting in place taxation measures and other policies that are “cruelling” it at the moment.

“I know many people are selling their housing and investing outside the region so investment is decreasing in the ACT whereas the government should be wanting to increase it.

It is making it difficult for agents to convince people they should have an investment home because they look at it and say ‘where’s the return?’

“And then, not to mention what this is going to be doing for renters. I feel this is one of the worst things that’s happened to real estate in the ACT.”

These days Jim and Sophia, though officially retired, are still busily involved in a range of projects in the community which they do with pride and passion – such as lobbying to make sure that Lake Burley Griffin is retained as park land and not turned over to developers. Canberra is their place and they continue to want it to be a good place to live for those who choose to make it their home.

# A CRITICAL LESSON IN *calculating commission*

## A recent member enquiry highlights how easy it is to make mistakes when it comes to calculating the commission to be paid to a commission-only employee.

By Bryan Wilcox – CEO Real Estate Employers' Federation

The employee alleged that she was underpaid commission on several sales. She based her allegation on the terms of her commission agreement, as well as provisions of the *Real Estate Industry Award*.

The employee's Employment Agreement included REEF's template commission table:

Base Commission	31.5%
Base Commission Superannuation	2.9925%
Commission Margin Credit	15.5075%
<b>TOTAL</b>	<b>50%</b>

The commission agreement also set out various amounts that formed debits against the amount credited under the Commission Margin Credit column. These debits included things like annual leave paid to the employee, the costs of the employee's personal assistant and non-recoverable vendor paid advertising.

So far, so good.

But it all started to go wrong when the employer forgot that the Base Commission and Base Commission Superannuation amounts are untouchable and it's unlawful to debit **any** amounts against them.

In this case, the authorised debits were simply taken from the total amount of commission credited to the salesperson (that is, from the 50% total), rather than being debited only from the Commission Margin Credit amount of 15.5075%.

This mistake resulted in the employee receiving less than the minimum commission percentage prescribed by the award (31.5%) for two of her sales transactions.

In simple terms, the employee was underpaid.

### The takeaway

A commission-only employee **must receive** a minimum of 34.4925% of the employer's gross commission (including superannuation) from each component of a property sale for which they are responsible.

This minimum amount is untouchable.

Any agreed debits can only be made from the commission margin above this minimum percentage.

### Call REEF

If you're a REEF member and have questions about calculating commission for your commission-only employees, call the Helpline on 1300 616 170. Our team of experienced Workplace Relations Advisors is on hand to help.

*The Real Estate Employer's Federation (REEF) is the real estate industry's leading not-for-profit employer and workplace relations advisory association. It has more than 1600 members and subscribers across the eastern states of Australia. Each year, REEF receives more than 15,000 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](http://www.reef.org.au) or call 1300 616 170.



### Updated template agreements

REEF has updated the two template Employment Agreements relating to commission-only employees to more clearly show how the base commission calculation (and superannuation) is protected and untouchable. This has been done, in part, by combining the first two columns into a single column called 'Guaranteed Base Commission (inclusive of superannuation)'.

REEF members can access these updated template agreements via the REEF People Management System.

To find out more about REEF membership and the benefits for your business, call 1300 616 170.

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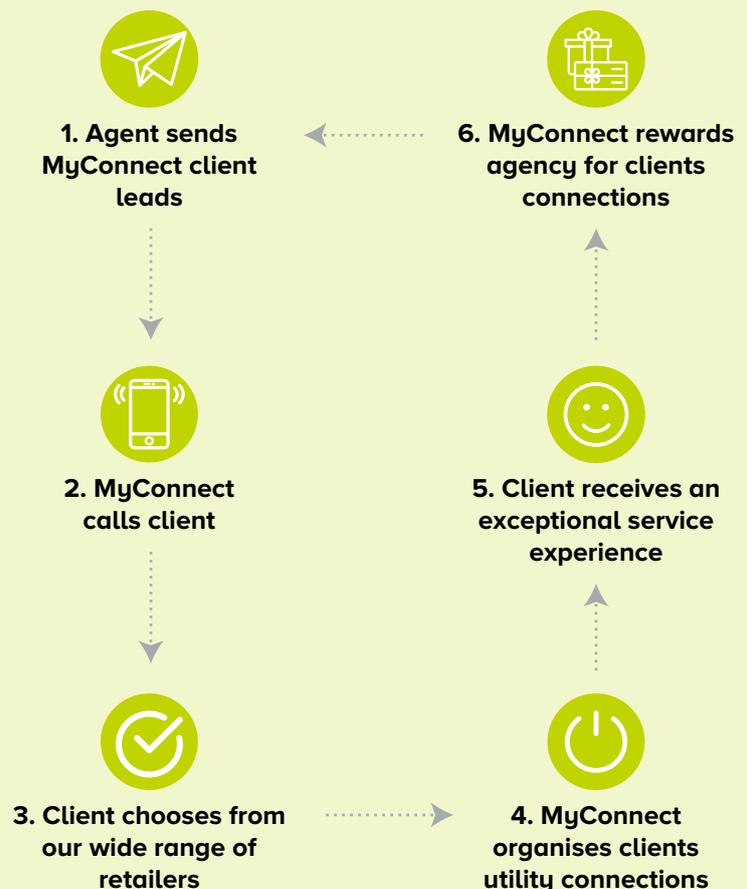
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### How does it work?



# IT'S ALL *in the styling*

**In the current competitive real estate climate, it's increasingly difficult to make a home stand out from the market.**

It is now more important than ever to elevate a home to its full potential through carefully considered property styling. And of course — there is a remarkable difference between stock-standard property styling, and property styling that truly inspires and excites potential buyers.

When it comes to million-dollar plus homes cheap home décor options just won't suffice. Buyers at this level are increasingly informed, they have style and can appreciate good design. Each and every design choice feeds into their perception of the home as a whole.

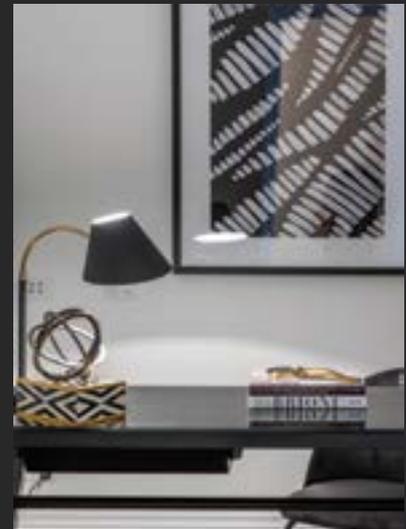
Debra from Sympatico Styling explains, "When a buyer can see quality furniture, designer finishes and an insight into the luxe lifestyle they could be enjoying, all of a sudden, they aspire to be living there. It really is the ideal scenario to close a sale.

"It's no wonder then, that over 94% of homes styled by Sympatico are sold at auction, or within the two weeks following. While clearance rates throughout Canberra plummet, homes styled by Sympatico seem to be making an impression and bucking the trend.

"We've noticed a real change in mindset amongst Canberra's top agents. They are really starting to appreciate the impact of property styling on their bottom line," Debra adds.

"It's not unusual for the homes we style to achieve up to \$300,000 over the owner's expectations," says Debra. "The return on high quality property styling is just unbelievable."

It seems that savvy real estate agents are beginning to treat property styling as an investment, not a cost. They understand that the upfront costs are insignificant when compared to lift in final sale price. So, there you have it. If you want to improve your clearance rate, high-end property styling might just be the secret to your success.



**BUYERS AT THIS LEVEL ARE INCREASINGLY INFORMED, THEY HAVE STYLE AND CAN APPRECIATE GOOD DESIGN**



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***“We recently achieved \$300,000 over the owner's expectations prior to auction on a home styled by Sympatico.”***

*Brett Hayman, Principal of Australia's No. 1 Medium Agency*

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# REI SUPER CUTS INSURANCE PREMIUMS *and pension account fees*

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Effective 1 October this year the Fund reduced its death and total and permanent disablement insurance premiums and the fees for pension account members.

Thanks to a new group cover deal REI Super negotiated with its insurer, death and total and permanent disablement insurance premiums have dropped by 5 to 6%. Lower insurance premiums of course translate into more money in members' superannuation savings.

The Fund has also cut its pension account fees. The administration fee for pension members has dropped from \$182 to \$85.80 per annum. (This fee is in addition to the percentage-based fees on members' chosen investment option or options.)

As Australia's real estate industry super fund, REI Super's sole purpose is to maximise members' retirement savings. This is in contrast to bank-owned super funds, which pass on profits to their shareholders.

Contact REI Super for more information on 1300 13 44 33 or go to [reisuper.com.au](http://reisuper.com.au)



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# Your life your fund



Braden Walters, REI Super member

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# RISK MANAGEMENT TIPS

## *for Property Managers*

### **In an industry where professional negligence claims are common, what can you do to help safeguard your business?**

#### **1. Be selective in the properties you choose to manage, not all business is good business.**

#### **2. Periodic Inspections.**

When conducting, recording and following up on Periodic Inspections imagine sitting in a courtroom witness box, being questioned about a periodic inspection that occurred three years prior with every detail under scrutiny.

- Conduct thorough and regular inspections.
- Ingoing report should be given great attention with all issues attended to with a sense of urgency.
- Include photographs, the more the better, particularly of potentially hazardous areas/ items. Images can be used to show landlords any defects but they can also be helpful in monitoring potential problems (such as whether mould is worsening over time).
- Do you have adequate system in place to follow up the return by the tenant of the ingoing report?
- Do you conduct a pre-vacation inspection? This gives you the chance to identify problems which can then be addressed and resolved before they leave.
- Are smoke alarms tested on each inspection (do you outsource maintenance of these?).

#### **3. Repairs & Maintenance.**

- Act with a sense of urgency to all requests from tenants for repairs and maintenance.
- Work with tradespeople that "get it", that understand the liability potential that can arise if things are not attended to promptly.
- Do you have an induction process for new tradespeople where you set your expectations?
- Only use licensed and insured tradespeople.
- Do you hold copies of tradespersons licenses and insurance certificates of currency?
- Do you have a process to monitor the renewal of these licences and certificates?
- Do not issue any work orders where you do not hold evidence of the contractors insurance.
- Be wary of property owners who say they will fix the problem or get their mate to, depending on the nature of the maintenance required this could be fraught with danger.
- Once repairs are completed, do you check with the tenant that their concerns have been satisfactorily addressed?
- Are completed repairs inspected?
- What systems are in place to ensure all outstanding repairs are followed up?
- Do you continue managing the property if you have a difficult landlord who refuses to rectify issues where safety is a concern? Not all business is good business.

#### **4. Insurance.**

- Ensure all property owners carry a minimum of \$5,000,000 public liability insurance, however recommend they consider taking out a Landlord Insurance Policy which usually includes \$20,000,000 of public liability cover along with rent default cover, malicious damage cover etc.

#### **5. Keep File Notes of Conversations.**

- This is critical. Confirm material conversations you have had with either a tenant or landlord in writing to them. Good record keeping can be the difference between winning and losing a case.
- Keep detailed and dated records. In the event of a dispute, accurate contemporaneous records are the most persuasive evidence.





### 6. Building Safety Health Checks.

Examine your rent roll:

- How many properties do you have that have hazardous features such as decks, verandas, balconies, staircases etc?
- How old are those properties? Older than 20 years?
- Consider writing to the owners of all such properties recommending they have the property undergo a safety health check for hazard identification purposes so as to minimise their own exposure (and in turn yours!) to bodily injury claims.
- This is a proactive step to deal with potential issues prior to any injury (or worse still death) occurring.
- Do this annually, and if the owners refuse, you will at least be able to show that you have made appropriate recommendations.
- If you do have concerns over the safety of the property and the owner ignores those recommendations then it's time to reassess the value of that client and the risk it poses to your agency.

### 7. Maintain a strict follow up system for everything.

### 8. Follow your client's instructions.

- Failure to act in accordance with direct instructions is a breach of your obligations under the Management Agency Agreement, a breach of your fiduciary duty and can expose you to a negligence claim.

### 9. Pool Safety.

- Encourage landlords to carry out regular maintenance by a pool professional so as to ensure the pools of your managed properties meet safety standards. Watch out for the following common problems:
- Pool latches that do not latch properly;
- Gates that are not self-closing;
- Articles such as outdoor tables or chairs left near the pool fence enabling kids to climb over;
- Low-hanging tree branches that children could use to climb the fence;
- Poor or out of date signage; and
- Signage that is not visible from the pool area.

### 10. Clandestine Drug Manufacturing.

Even the most solid tenant selection processes may not identify illegal drug manufacturers. Signs to watch for include:

- Reports of persons coming and going from premises at all hours;
- An unusually higher level of security surrounding premises eg cameras, dogs, fencing;
- Strange smells emitting from the building such as acetone, ammonia or methylated spirits;
- Windows covered or blackened out;
- Powerful lighting frequently on at all hours;
- Unusually higher usage of power and water or signs that electricity sources have been tampered with;
- Numerous discarded empty packets of cough and cold tablets and methylated spirit containers indicates premises could be used for Pseudoephedrine extraction (a process used in methylamphetamine manufacturing).

For further advice or to get pricing on cover that you can rely on, a property risk insurance specialist at a reputable insurance broker such as Coverforce can assist.

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# SHORT-TERM PLAN FOR LONG-TERM GAIN:

## *will home owners benefit from the Canberra light rail?*

By Dr Nicola Powell

Conversations can often become derailed by the billion-dollar light rail debate. It is synonymous with the north or south divide, with Canberrans tending to offer definitive viewpoints either for or against.

The ACT remains one of the fastest growing jurisdictions in the country, behind Victoria. As our population grows, access to roads, schools, employment hubs and public transport becomes strained. Given the growing desirability of our region and the forecast population, the evidence is mounting that the territory needs to introduce measures to reduce the volume of traffic and the prospect of heavier congestion on our roads.

This has been one of the ferociously debated conundrums of the light rail. Will the project deliver enough transport benefits to counterbalance our forecast population growth, and will travel time be reduced sufficiently compared to the current transport options? This is open to debate.

The introduction of permanent infrastructure should act to support the city's transport backbone. Light rail is a fixed network that will encourage more efficient development, smarter use of space, and the introduction of new mixed-use precincts along the route. In comparison, a new bus route doesn't have the same impact, since there is an element of uncertainty, with the prospect of rerouting instantly possible.

The permanency of light rail offers developers, home owners and investors greater confidence. It is the introduction of a durable transport network that sends a positive message that often stimulates associated investment activity, leading to urban renewal, commercial and residential development. The increased density along the corridor should also improve the patronage, which will have a positive impact on the cost-benefit of the project.

There is no doubt that the controversial light rail project has provided a buzz of excitement that has enveloped Canberra's northside property market. However, it is home owners in suburbs directly neighbouring the light rail corridor, and especially within a short walking distance to a tram stop, who are particularly set to become key benefactors. That is, if home owners can bear the roadworks and inconvenience caused in the meantime, the payoff could be a financially fruitful one.

Houses in the Inner North and Gungahlin have outperformed the headline rate of growth recorded for Canberra. During the first half of the calendar year homeowners in the two north-side districts have reaped the benefit of double-digit annual growth. Despite price growth slowing in the third quarter, the annual pace has surpassed Canberra's 4 per cent improvement. Houses in Gungahlin rose by 7.8 per cent to \$679,000, while in the Inner North they jumped by 9.6 per cent to \$936,000.

Gungahlin and Inner North units have bucked the broader negative price trend. While Canberra unit prices declined by 4 per cent over the year to \$412,888, Gungahlin units grew by 2.5 per cent to \$405,000 and Inner North units a minor 0.4 per cent improvement to \$465,000.

The most frequent question — how much will properties near the light rail be worth when it's complete? It is difficult to quantify the exact impact on prices, but it is likely to be a positive one given the influence of light rail on property values across the globe.

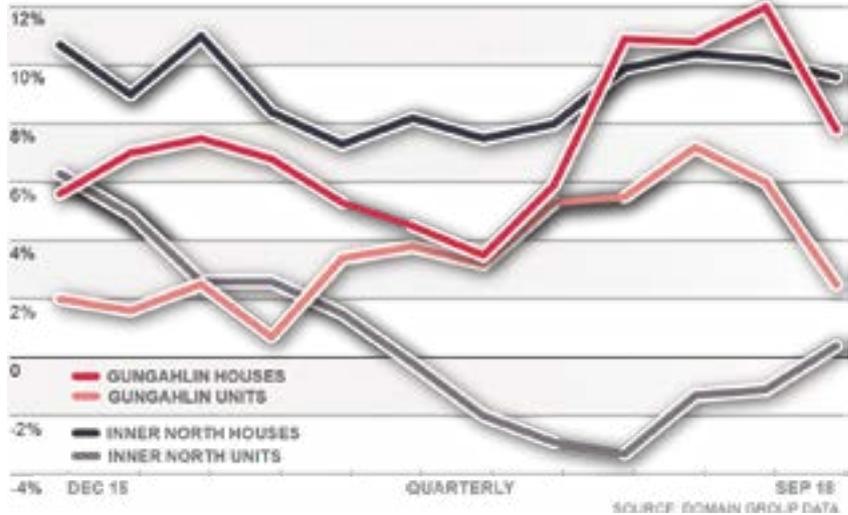
At the time of a major infrastructure announcement, a speculative spike in property prices often occurs, as investors become engaged and locals excited at the prospect of future capital growth. It is only once the project is complete that the true price impact can be determined.

It is important to note that Canberra does not experience the level of congestion that has been seen in the other cities that have had light rail introduced — a key element when considering the impact on prices. Therefore, the influence on price growth is likely to be of a lesser extent, compared to other case studies.



Whether purchasing an investment or your family home, it is imperative to make a sound judgement based on a variety of factors — not just light rail. Consider the extent of surrounding development and ongoing supply pipeline that could weigh on price growth. Also consider the economic drivers pulling residents to the area, which will continue to support the future demand for housing.

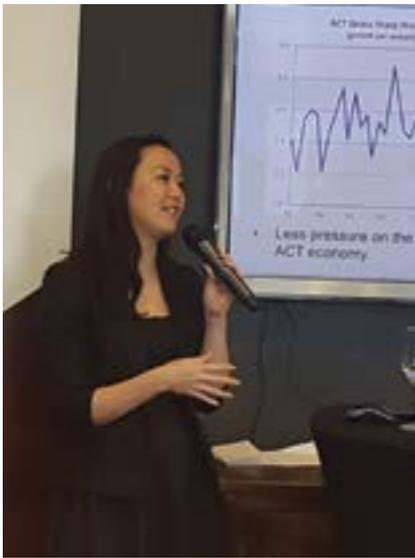
**THE LIGHT RAIL EFFECT ANNUAL GROWTH PAST 3 YEARS**



Dr Nicola Powell is Senior Research Analyst at Domain Group. Tweet your questions to [@DocNicolaPowell](https://twitter.com/DocNicolaPowell)



# 2018 *the year that was*







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