

# REIA NEWS

ISSUE TEN: MARCH 2012

## 2012 REIA NATIONAL AWARDS FOR EXCELLENCE:

MEET THE FINALISTS

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DECEMBER QUARTER DATA RELEASES

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### RENT CONTROL

THE IMPACT ON THE PROPERTY MARKET

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FURTHER INFORMATION.



# PRESIDENT'S REPORT

## WELCOME

### FROM REIA'S PRESIDENT



**What an exciting month March is with the profession's 2012 REIA National Awards for Excellence just two weeks away.**

The REIA and REINT staff are busy putting the finishing touches on what is set to be an amazing event that aims to showcase and celebrate all that the top end has to offer. To everyone who

has already booked tickets, be prepared for a show unlike any you have seen at the national awards before. For those who haven't yet secured a spot, a small amount of tickets remain and you have until the end of next week to book.

After another cabinet reshuffle, we now have a new housing minister, The Hon Brendan O'Connor MP. REIA will keep you up to date on meetings and discussions. This appointment is a direct result of our advocacy efforts to elevate housing - as we mentioned in December, when a minister was first assigned to housing, we have been far too long without representation for this sector.

This week REIA released the Deposit Power Housing Affordability Report, just as the RBA announced that rates would be left on hold for another month. Although housing affordability has

improved over the December quarter, the improvement is not yet significant enough to see the change that we would like.

Following up from an issue raised at the ALP Conference last year, our research officer has highlighted rent control and what this proposal would mean as a detriment to housing Australia, if implemented.

REIA's policy manager Jock Kreitals has provided you with everything you need to know about trusts and an important review that the Treasury is currently carrying out.

I would like to conclude by wishing all finalists and winners at the national awards the best of luck. Next month, we will provide an overview of the event and a list of the winners.

**Ms Pamela Bennett**  
REIA President



# 2012 REIA NATIONAL AWARDS

## MEET THE FINALISTS

### **Excitement is starting to build with the 2012 REIA National Awards for Excellence now just weeks away.**

The event, which started seven years ago, is a celebration of the achievements of the real estate profession and honours agencies and individuals who are the best in their field, breaking new ground in innovation and devoting significant time to their communities.

In addition to the sixteen award categories outlined on the following page, in 2011, REIA introduced a Hall of Fame to honour those who had won a particular category for three consecutive years. In 2011 Sissons Estate Agents of Queensland were inducted for Small Residential Agency of the Year and Independent Property

Group of the Australian Capital Territory were inducted for Large Residential Agency of the Year and the Communications Award.

Being inducted into the Hall of Fame is the highest honour in the profession and both agencies should be congratulated on their achievements and will have the opportunity to address the audience at the national awards.

This year's event will be a wonderful event and will showcase everything the top end has to offer. 2012 is the first time that the event has been held in the Northern Territory.

This is also the first time that the event has not been held at a hotel (venue is the Darwin Convention Centre) so there are some logistical details that attendees of the event will be informed of closer to the date. These will include a bus schedule for transporting you to and from your

hotel to the venue. Other than that, we hope everyone has a safe trip and a lovely stay in Darwin.

For those who are finalists, early next week you will receive an overview of the event, what your role will be and what to do when you come to the stage to collect your certificate or trophy.

If you have any questions prior to the event, please contact REIA Manager Communications at [rhiannon.mcclelland@reia.com.au](mailto:rhiannon.mcclelland@reia.com.au) or at 02 6282 4277. If you need assistance on the day of the event, please contact Rhiannon on her mobile - 0421 422 919.

A list of finalists is provided on the following pages. Congratulations and best of luck to all those nominated for an award.

### President's Award

<b>REIWA</b>	Robert Ockerby
<b>REISA</b>	Mark Sanderson

### Large Residential Agency of the Year

<b>REIACT</b>	Peter Blackshaw Manuka
<b>REIQ</b>	Damian Hackett, Place Estate Agents
<b>REINT</b>	Ray White Central NT
<b>REIWA</b>	Realmark
<b>REISA</b>	Smallacombe Real Estate
<b>REIV</b>	Fletchers
<b>REIT</b>	Bushby Property Group

### Medium Residential Agency of the Year

<b>REIACT</b>	Peter Blackshaw Real Estate Inner North & Rural
<b>REIQ</b>	Dowling & Neylan Real Estate
<b>REIWA</b>	Rentwest
<b>REISA</b>	Toop & Toop Real Estate
<b>REIV</b>	Jellis Craig Ivanhoe Pty Ltd
<b>REIT</b>	4one4 Real Estate

### Small Residential Agency of the Year

<b>REIACT</b>	Maria Selleck Properties
<b>REIQ</b>	Townsville Rentals Ptd Ltd
<b>REINT</b>	One Real Estate
<b>REIWA</b>	Provincial Real Estate
<b>REISA</b>	Adcock Real Estate
<b>REIV</b>	Hocking Stuart Mooroolbark

### Commercial Agency of the Year

<b>REIACT</b>	Raine & Horne Commercial Canberra
<b>REIQ</b>	Raine & Horne Commercial Brisbane Southside
<b>REINT</b>	Knight Frank
<b>REIWA</b>	Realmark Commercial
<b>REISA</b>	Colliers International SA Pty Ltd
<b>REIV</b>	Nichols Crowder Property Solutions

### Residential Salesperson of the Year

<b>REIACT</b>	Richard Keely, Luton Properties
<b>REIQ</b>	Michelle McLeod, McLeod Partners / Ray White Toowong
<b>REINT</b>	Genevieve Cox, Elders Palmerston

<b>REIWA</b>	Denise Wellstead, Professionals Wellstead Team
<b>REISA</b>	Matt Smith, Klemich Real Estate
<b>REIV</b>	Tim Heavyside, Fletchers
<b>REIT</b>	Paul Flanagan, Bushby Property Group

#### Commercial Salesperson of the Year

<b>REIACT</b>	Mark Terracini, Raine & Horne Commercial Canberra
<b>REIQ</b>	Mark McCann, Colliers International Brisbane
<b>REINT</b>	Lee Doyle, First National Commercial
<b>REISA</b>	Evan Florinis, Commercial SA
<b>REIV</b>	Mark Coster, CBRE

#### Residential Property Manager of the Year

<b>REIACT</b>	Alexandra Scott, Top Notch
<b>REIQ</b>	Katie Knight, RE/MAX Success
<b>REINT</b>	Heather Wegener, LJ Hooker Nhulunbuy
<b>REIWA</b>	Vicky Knight
<b>REISA</b>	Ros Munt, Smallacombe Real Estate

<b>REIV</b>	Hayley Mitchell, Mitchell Property Management
<b>REIT</b>	Megan Hampton, Elephant Property

#### Commercial Property Manager of the Year

<b>REIACT</b>	Peter Nyers, Raine & Horne Commercial Canberra
<b>REIQ</b>	Deborah Bishop, CBRE
<b>REINT</b>	Tilly Rogers, Knight Frank
<b>REIWA</b>	Christine Smith, Realmark Commercial
<b>REISA</b>	Andrew Carapetis, Commercial SA
<b>REIV</b>	Brett Diston, Ray White Commercial

#### Business Broker of the Year

<b>REIQ</b>	Paul Brooks, Real Estate Dynamics
<b>REISA</b>	Simon Winter, Raine & Horne Corporate Business Sales
<b>REIV</b>	Karli Dunham, Just Business Brokers

#### Buyer's Agent of the Year

<b>REIQ</b>	Simon Pressley, 6-Point Property
<b>REIWA</b>	Emma Everett, Momentum Wealth
<b>REIV</b>	Melissa Opie, Keyhole Property Investments

### Communication Award

<b>REIACT</b>	Luton Properties
<b>REIWA</b>	Reamark
<b>REISA</b>	Harris Real Estate
<b>REIT</b>	Bushby Property Group

### Innovation Award

<b>REIACT</b>	Independent Property Group
<b>REINT</b>	Ray White Central NT
<b>REISA</b>	Harris Real Estate
<b>REIV</b>	hockingstuart
<b>REIT</b>	Tony Morrison, Harcourts Launceston

### Achievement Award

<b>REIACT</b>	Shaun Iqbal, Independent Property Group
<b>REIQ</b>	Michael McCullagh, Ray White Stafford
<b>REINT</b>	Nick Scaturchio, O'Donoghues First National
<b>REISA</b>	Jason O'Halloran, Magain Real Estate

<b>REIV</b>	Max Cookes, CBRE
<b>REIT</b>	Ananda Cairns, Bushby Property Group

### Community Service Award

<b>REIACT</b>	Peter Blackshaw Real Estate Inner North & Rural
<b>REIQ</b>	Calibre Real Estate Pty Ltd
<b>REINT</b>	O'Donoghues First National
<b>REIWA</b>	Dee Marlow
<b>REISA</b>	Lew Toop, Toop & Toop Real Estate
<b>REIV</b>	hockingstuart
<b>REIT</b>	Bushby Property Group

### Corporate Support Person of the Year

<b>REIACT</b>	Sophie Luton, Luton Properties
<b>REIQ</b>	Sally Adam, Colliers International (Brisbane) Pty Ltd
<b>REINT</b>	Carmony Leso, O'Donoghues First National
<b>REIWA</b>	Julie Harold, Professionals Perth
<b>REISA</b>	Lee Gimbrere, Harris Property Management
<b>REIV</b>	Charlotte Kuebler, Release Property Management

# INDUSTRY ARTICLE

## DON'T FALL BEHIND IN ARREAR MONITORING

**One of the most important roles of a property manager is to ensure the condition of properties in their portfolio is maintained and respond to their tenants' requests for repairs.**

A well maintained property not only makes life much easier for both tenants and landlords, but it can also attract higher rent, encourage tenants to treat the property as if it were their own and reduce the possibility of injuries taking place which could potentially result in a liability claim.

However, when it comes to regular maintenance, there are a few things property managers should remember:

- **Avoid confusion**

Ensure tenants and landlords are aware of the tasks that they are responsible for.

For example, tenants may be responsible for gardening while landlords may be required to action preventative and ongoing maintenance such as annual gutter and drain cleans, gas appliance services and changing air-conditioning filters.

Although these should be stated in tenancy and property management agreements, it is also a good idea to remind tenants and landlords when certain tasks should be actioned.

- **Increase control**

Generally, the more maintenance responsibilities property managers can action on a landlord's behalf, the more control they have over keeping

the property in a good condition.

For example, hiring a professional gardener to attend to the property every few months may ensure that the garden is kept under control. Property managers who use licensed and approved tradespeople to carry out maintenance requests often have good pre-existing relationships with them. It is therefore likely that the tradespeople will be aware of the property manager's expectations so the required work will be of a high standard and won't lead to further problems down the track. Property managers can also request that all invoices are sent directly to them so they can monitor when the work is completed.



terri scheer

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- Little black book  
It is a good idea to keep a regularly updated file containing the names of qualified, reliable and competitively priced tradespeople who provide maintenance services with corresponding quotes on hand to provide to tenants if requested.

Giving tenants access to the names of these tradespeople to action maintenance that is not covered by the tenancy agreement will increase the chances of the required work being completed according to the property manager's best expectations.

As tenants are also entitled to arrange repairs themselves if the circumstances are classified as 'urgent' and pass on these costs to the landlord, property managers who provide tenants with details of their approved tradespeople can

help to ensure landlord expenses will not be excessive.

For further information, visit [www.terrischeer.com.au](http://www.terrischeer.com.au) or call 1800 804 016.

## About Terri Scheer Insurance

Terri Scheer Insurance Pty Ltd (Terri Scheer). Terri Scheer provides insurance cover for landlords, helping to protect them against the risks associated with owning a rental property.

These include malicious damage by tenants, accidental damage, landlord's legal liability and loss of rental income.

Terri Scheer acts on behalf of Vero Insurance Ltd, the insurer which issues the insurance cover. Terri Scheer has not taken into account the reader's or their client's

objectives, financial situation or needs.

If you or your client is interested in any of Terri Scheer's insurance products, the relevant Product Disclosure Statement should be considered first. It can be viewed online at [www.terrischeer.com.au](http://www.terrischeer.com.au) or obtained by calling 1800 804 016. Based in Adelaide, Terri Scheer services all states, territories and capital cities.

# INDUSTRY ARTICLE

## FLOOD COVER INSURANCE: WHAT YOU NEED TO KNOW

The physical cost of the 2011 floods in Queensland, Victoria and New South Wales is estimated to reach \$30 billion making it the most expensive natural disaster in Australian history. Unfortunately, many property owners have been caught short, facing costs for property lost in floods which is not covered by their insurance policies.

Many insurance policies have different and confusing definitions as to what a flood is or whether they provide enough to cover the full replacement of lost homes and possessions. Due to the confusing nature of definitions, many property owners may have

chosen an inappropriate policy leaving them uninsured for a particular type of flood.

Consumer group 'Choice' examined 45 insurance policies available across Australia and found only 13, about 30%, cover riverine or inland floods, or the swelling of river and creek banks, problems particularly common in the 2011 floods.<sup>1</sup>

Choice spokeswoman Ingrid Just said "There is not one standard definition for floods and that makes it very difficult for people to understand what they're covered for. We're concerned that there is no single definition for flood."<sup>2</sup>

As a response to this, flood cover has been introduced as a standard and automatic addition to all Aon's building and landlords policies. Underwritten by CGU, these policies have adopted the Federal Government's definition

**"As a response to this, flood cover has been introduced as a standard..."**

of floods. The Government defines floods as:

"the covering of normally dry land by water that has escaped or been released from the normal confines of;

- a) any lake, or any river, creek or other natural water course, whether or not altered or modified; or
- b) any reservoir, canal or dam."

Melinda O'Connor, National Practice Group Executive at Aon said "This flood cover removes any confusion about what you are covered for, providing



increased peace of mind if water damage occurs.”

Melinda also comments on how this new cover will speed up the claims process with CGU, “Due to the availability of flood mapping data which helps assess flood risks to individual properties, we are able to ensure quick and accurate flood claim resolutions without the need to wait for complex assessments by hydrologists to be conducted. Previously, their reports were critical in determining whether or not a claim was covered by insurance.”

Available from 15th February, there is no opt-out for this new flood cover through Aon. For property owners in areas where floods do not occur there will be no increase in premiums due to floods cover. For properties in areas where the risk of flood is low, there may be a minimal impact on premiums and

customers with properties in medium to high risk flood areas will see an increase in premiums. As a broker, we work hard to negotiate the most competitive combination of cost and cover for all our clients. Visit our website at [www.aon.com.au/realestate](http://www.aon.com.au/realestate) for more information or call your local Aon representative on 1300 734 274.

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

1 Sydney Morning Herald – 14/01/11

2 Sydney Morning Herald – 14/01/11

POLICY FEATURES	
Water losses due to:	Included
Water escaping from: <ul style="list-style-type: none"> <li>• A water pipe, fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain</li> <li>• A bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor with drainage holes</li> <li>• A washing machine or dishwasher</li> <li>• An aquarium or waterbed.</li> </ul>	
New policy benefits	
Damage by water rising from a: <ul style="list-style-type: none"> <li>• Lake</li> <li>• River</li> <li>• Creek</li> <li>• Dam</li> <li>• Natural water course</li> <li>• Reservoir</li> <li>• Canal</li> </ul>	
Damage from sea water caused by: <ul style="list-style-type: none"> <li>• Tsunami</li> <li>• Storm surge (salt water from the ocean)</li> </ul>	

# NOT THE IMPROVEMENT WE WERE HOPING FOR

Housing affordability improved for the December quarter 2011, with the proportion of income required to meet loan repayments decreasing 0.7 percentage points to 32.9%, but it wasn't quite the improvement we were looking for.

Victoria, Queensland, Western Australia, and Tasmania contributed to the improvement. The largest decline in the proportion of income required to meet loan repayments was recorded in Victoria, down 2.5 percentage points.

New South Wales, South Australia, the Northern Territory and the Australian Capital Territory recorded increases in the proportion of income required to meet loan repayments. New South Wales and the Northern Territory recorded the largest increases over the quarter, both up 0.8 percentage points.

Despite a decline in housing affordability over the quarter, the Australian Capital Territory remained the most affordable state or territory in which to buy a home, a position which the territory has held since March 2006. The proportion of income to meet loan repayments increased by 0.7 percentage points over the year to 18.6%; 14.3 percentage points below the national average.

New South Wales remained the least affordable state or territory in which to buy a home. The proportion of income required to meet loan repayments increased 0.8 percentage points over the quarter to 37.9%; 5.0 percentage points higher than the national average. The decline in housing affordability was caused by decreasing income and increasing loan repayments.



Part of the Vero Group



National manager of Deposit Power says, "The Reserve Bank's decision to leave interest rates on hold in February was welcomed by mortgage holders, however was short lived as all four big banks have now raised home loan interest rates independently.

Interest rates have a big impact on affordability for existing homeowners and can also be a major deterrent for those looking to enter the market for the first time.

The news isn't all bad for mortgage holders, as the rises could lead to the re-emergence of non-bank and other securitised lenders into the market, looking to compete with the major banks. The higher rates also mean an advantage of deposit holders.

For the majority of 2011 house prices throughout Australia decreased and with all the current global uncertainty, people will be wary of making new purchases and investments. If the economy remains strong and unemployment remains lower, we are likely to see activity in the upgrader and downgrader segments of the market, as buyers look to take advantage of the softer prices.

To find out how Deposit Power can assist when purchasing residential property, please contact 1800 678 979 or visit [www.depositpower.com.au](http://www.depositpower.com.au).

## NEXT WEEK>>

REIA WILL RELEASE REAL ESTATE MARKET FACTS.  
DON'T FORGET TO SUBSCRIBE TO RECEIVE A COPY IN  
YOUR INBOX NEXT WEDNESDAY.



## MODERNISING THE TAXATION OF TRUST INCOMES

**The Commonwealth Treasury is undertaking a review of trust arrangements and recently sought responses to a consultation paper on the subject.**

Trusts are a common structure used by small business to conduct their normal business operations or for investment purposes. Trusts have become a common structure for small business to house their trading business. Through their asset protection and succession planning advantages trusts are also used as a way of holding assets. The outcomes of the review will therefore have implications for the nearly 700,000 trusts already in existence, many of which are held by small businesses including real estate agents.

The REIA in its response noted and welcomed the opening comments in the consultation paper that the review is not intended to be a crack down on the use of trusts. Similarly reassuring was the acknowledgement that trusts are a legitimate structure through which taxpayers are able to conduct their personal and business affairs.

**“The REIA welcomed the opening comments in the consultation paper...”**

The interaction of trust law and the income tax treatment of trusts has been an ongoing issue. Whilst Division 6 of the Income Tax Assessment Act 1936 has

been in place for some time, recent Court decisions have created much uncertainty in its application requiring legislative clarification.

The need for reform was also highlighted by Australia’s Future Tax System Review (Henry Review) which recommended that the trust rules be updated and rewritten to reduce complexity and uncertainty around their application. This complexity and uncertainty has had a detrimental impact on compliance costs for those small businesses and other taxpayers that use a trust structure.

Current taxation treatment of trusts is long overdue for change. The REIA stressed that it is also important to ensure that the existing attributes of trusts remain intact and are protected for existing trusts.



This article is brought to you by REIA Manager Policy, Jock Kreitals. Jock can be contacted at [jock.kreitals@reia.com.au](mailto:jock.kreitals@reia.com.au)

**“Current taxation treatment of trusts is long overdue for change. REIA stressed that it is also important to ensure that the existing attributes of trusts remain intact...”**

Following the introduction of any changes to trust legislation taxpayers who have already established trust structures may wish to move to a different structure if the changes result in adverse outcomes.

The REIA thus recommended that there should be provision for transitional arrangements which allow taxpayers to move

to another structure without tax implications.

The timetable for the review proposes to introduce any legislation into Parliament in November 2012, for a start date of 1st July 2013.

The REIA is concerned that this may be an unrealistic timetable given the complexity of the issues to be covered. The REIA believes a longer lead time for the introduction of any changes is required.

As the consultation paper recognised, there are a wide variety of trusts differing in their deeds, structure, use and size. There will be a need to educate trustees ahead of the implementation timetable.

Given the number and diversity of trusts in existence, an extensive education process over several months will be required the REIA

thus urged the current review to recommend that any changes be implemented only after a comprehensive education campaign.

REIA will continue to keep the industry informed of developments through REIA News.



# RENT CONTROL

## THE IMPACT ON THE PROPERTY MARKET

**Rent control is a government implemented practice of keeping rents at artificially low levels by establishing the amount landlords are allowed to charge tenants or via the capping of annual rent increases.**

Depending on measures implemented, two generations of rent control can be distinguished.

The first generation of rent control is a practice of freezing rents at a nominal level (strict control) while the second generation rent control is a complex set of more flexible regulations governing allowable rent increases, conversion, maintenance and relationships between landlords and tenants (soft control).

First generation rent control received widespread imposition during World War II with major cities in Europe, America and Australia introduced to rent freezes. However, the end of the war didn't lead to an immediate withdrawal of rent control with the strict control programmes remaining in most cities until 1970's.

Victoria was the first state or territory in Australia where rent control was implemented. In fact, some measures were

taken under Victorian Law well before the Commonwealth began to enforce rent control programmes.

Rents in Victoria were frozen at 1940 level or, in some instances, adjusted upwards to a maximum of 5 per cent net of 1940 capital value of properties.

Between 1939 and 1946, building costs of three bedroom dwellings doubled leaving rents locked at 5% net of a significantly undervalued figure.

**Table 1: Increases in average weekly rents for four and five bedroom homes in 1939 and 1954**

City	1939	1954	Increase (%)
Sydney	23/3	29/8	28
Melbourne	21/5	22/4	4
Brisbane	19/2	22/7	18
Adelaide	19/11	26/4	32
Perth	19/9	27/8	40
Hobart	20/9	28/7	38



This article is brought to you by REIA Research Officer, Evgeniya Hawthorne. Evgeniya can be contacted at [evgeniya.hawthorne@reia.com.au](mailto:evgeniya.hawthorne@reia.com.au)

## “Victoria was the first state or territory in Australia where rent control was implemented.”

By 1954, building costs of three bedroom dwellings increased five times compared to pre-war levels.

The early 1950’s saw an easing of rent control across Australia. Despite increases in general price level in Victoria by 151%, wages by 216% and building costs by 400%, strict control remained enforced in the state for longer than anywhere else in Australia.

The table on the previous page shows increases in average weekly rents for four and five bedroom houses in Sydney, Melbourne, Brisbane, Adelaide, Perth, and Hobart between 1939 and 1954.

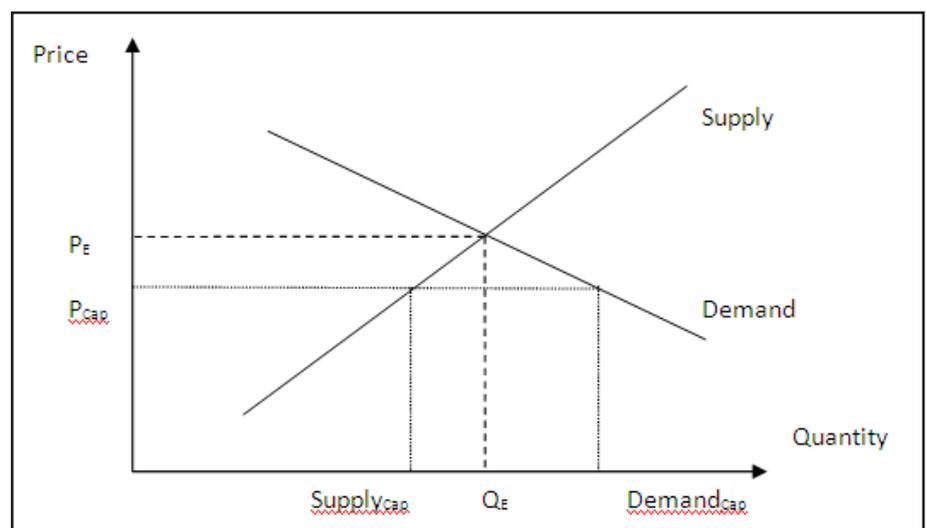
As a result, the share of the national income attributable to private landlords fell from 4% in 1939 to less than 1% in 1954.

Implementation of rent control programmes in Great Britain between 1938 and 1953 led to a 25% increase in rent compared to an 85% increase in cost of living. In New York’s South Bronx, rent control caused an abandonment of about 300,000 apartments in

an eleven-year period between 1972 to 1982.

The graph below shows a consequence of implementation of price control to a free market.

A free market is characterised by prices being determined at the  $P_E$  level by supply and demand equilibrium. At this point, the allocation of goods is at its most efficient. Introducing price capping below the market level



causes an increase in demand, decrease in supply, profit redistribution from suppliers to consumers.

In 1990's, 93% of the U.S. and 95% of the Canadian economists agreed that a ceiling on rents reduces the quantity of housing available.

Being more than just a price control, rent control brings specific impact on landlords-tenants relationships. Capping rent doesn't just simply reduce the supply of rental dwellings but also discourages landlords from maintaining and repairing dwellings until the end of a tenancy. It has been found that 29% of rent-controlled housing in the United States were deteriorated while only 8% of the uncontrolled units were in such a state of despair.

If rents are set below the market level for particular types of

dwellings/certain areas, rents for un-capped types of dwellings/ different areas may increase dramatically leading to major disproportions on the rental property market.

Declining rental stock force tenants to stay in the rent controlled dwellings for longer impacting mobility of existing and potential tenants is affected by rent control. It has been found that rent control tripled the expected duration of residence in New York City.

In extreme cases, rent control may lead to bullying and illegal behaviour as well as discrimination against particular types of tenants.

Despite all the negative impacts of rent control, rent capping still remains on governments' agendas.

Recently, legislation was proposed in Canada. If passed, from 2013

the province of Ontario will cap the annual rent increase at 2.5%. Remarkably, the Federation on Rental-housing Providers was not consulted in any way before the bill was drafted.

In December 2011, the Australian Labor Party announced rent capping as a part of their national platform:

"Labor will monitor the rent costs in the private rental market and examine mechanisms to maintain affordability such as the introduction of rent capping legislation".

REIA argues that rent capping in the private rental market would be counterproductive to the objectives of improving affordability. It would reduce the supply of rental housing which would be detrimental to rental affordability.

# LAST CHANCE

NEXT WEEK IS YOUR LAST CHANCE TO BOOK TICKETS TO THE  
**2012 REIA NATIONAL AWARDS FOR EXCELLENCE**

**TO BOOK, CLICK HERE**

(TICKET SALES CLOSE ON FRIDAY 16 MARCH 2012)

## Request For Tender

Unique opportunity  
to provide real estate  
rental management  
services

Request For Tenders (RFT) are invited for  
**The provision of real estate rental  
management services.**

**DHA is seeking rental management service providers that have demonstrated experience, will provide value for money and have proven capacity to provide the required service.**

The successful service providers will be required to participate in a panel arrangement per location for the supply of services. This panel will consist of appropriately qualified, licensed, accredited and experienced real estate agents who can demonstrate the capacity and experience to perform rental management services on DHA excess stock properties.

A notice of pre-release will be listed on AusTender at [www.tenders.gov.au](http://www.tenders.gov.au)

**RFT OPENS:**  
12:00AM AEDST,  
Wednesday, 25 April 2012

**RFT CLOSES:**  
5:00PM AEDST,  
Wednesday, 23 May 2012

**TO OBTAIN RFT  
DOCUMENTATION VISIT:**  
[www.dha.gov.au/tenders](http://www.dha.gov.au/tenders) or  
[www.tenders.gov.au](http://www.tenders.gov.au)

**ATM ID: RFT-185**

**FOR FURTHER ENQUIRIES  
CONTACT:**  
[rerstender@dha.gov.au](mailto:rerstender@dha.gov.au)

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and related services for members of the  
Australian Defence Force and their families.*

› [www.dha.gov.au](http://www.dha.gov.au)



# Industry Update

Industry news from around Australia



## QLD: Building Boost extension passed

Last month Queensland Parliament passed the Building Boost Grant Amendment Bill, allowing the Building Boost to be extended until the end of April.

The state has seen over 5,600 applications for the Boost, and that number is growing by the hundreds every single week.

For further information, [click here](#).

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## VIC: Rental homes continue to be more available in the city than in the country

According to the Real Estate Institute of Victoria (REIV), the easing in the rental vacancy rate in Melbourne would be welcomed

by renters, the availability of rental homes in regional Victoria remained very low.

For further information, [click here](#).

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## SA: Real estate reforms to protect consumers

The State Government will reform South Australia's real estate industry to provide a new layer of protection for buyers and sellers.

Minister for Business Services and Consumers John Rau said the reforms would also cut red tape for real estate agents.

Mr Rau said the new reforms built on changes introduced in 2007 to crack down on agents advertising properties at prices lower than expected.

For further information, [click here](#). To see REISA's comment on the issue, [click here](#).

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## TAS: 2011-12 Mid Year Financial Report

TAS Treasurer Lara Giddings today said the Mid Year Financial Report again highlighted the need for the Government to stick to its strong budget management strategy.

The report has revealed a \$26 million loss in revenue from conveyance duty due to a weaker property market.

For further information, [click here](#).

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# Making News

## General national news



### ATO releases new property tools

The ATO has released a number of new property-related tools and products, aimed at educating taxpayers, intermediaries and industry stakeholders.

These include the:

- ATO Property page and
- GST property tool.

The ATO property page provides a range of property tax-related information through one entry point, making it faster and easier to find the answers to property questions and to better understand the associated tax obligations and entitlements including income tax, capital gains tax and goods and services tax (GST).

The GST property tool is an interactive online decision-making tool which assists in correctly treating and reporting GST on property sales and other transactions. The tool uses a questions and answers format and is simple to use.

The ATO encourages industry to take advantage of these 'help and assist' resources when dealing with property transactions.

For more information visit [www.ato.gov.au/property](http://www.ato.gov.au/property)

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### ACCI Business Expectations Survey

The latest edition of the ACCI Business Expectations Survey records virtually all actual and expectation indicators worsening in the December quarter.

The movement in the three indicators across the entire survey that did improve were immaterial.

Key expectation indicators in the survey posted further steady declines. Businesses see their own trading conditions deteriorating considerably in the March quarter along with the performance of the broader economy.

The Expected Economic Performance index ground lower in December, now deep in negative territory after eight consecutive quarterly declines to reach its lowest level since early 2009.

For further information, [click here](#).

# Political Watch

Information and news from government



## New housing minister

In the latest cabinet reshuffle, Minister Brendan O'Connor has been given the portfolio of Minister for Small Business and Minister for Housing and Homelessness.

Minister O'Connor this week thanked the Prime Minister for his appointment and said, "It is an immense privilege to serve a Labor Government in any capacity, and I have been honoured to serve as Minister for Human Services.

While my time in this portfolio was brief, I am proud of Labor's record in helping disadvantaged Australians through tough times and back into the workforce, particularly in the challenging area of homelessness. I look forward to continuing that work in my new portfolio of Housing

and Homelessness. I am also pleased that the importance of Small Business to the Australian economy has been recognised with its elevation into Cabinet for the first time.

For further information, [click here](#).

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## Launch of National Rating Tool for Infrastructure Sustainability

In a speech at Parliament House, the Minister for Infrastructure and Transport, Anthony Albanese, discussed the first national scheme for rating infrastructure sustainability, the Australian Green Infrastructure Council, the Green Star Rating Tool, the Urban Design Protocol and

National Urban Policy.

To download a copy of the speech, [click here](#).

## Business indicators

The trend estimate for inventories rose 0.6% in the December quarter 2011.

The seasonally adjusted estimate rose 1.4% this quarter. The seasonally adjusted estimate for company gross operating profits fell 6.5% in the December quarter 2011.

The seasonally adjusted estimate for wages and salaries rose 0.8% in the December quarter 2011.

For further information, [click here](#).

# The World

Property news from around the world



## UK: Property market reveals a country divided

According to The Guardian, almost five years after the first stirrings of the credit crisis, Britain's housing market is deeply divided.

The price crash that many analysts had predicted failed to materialise; while buyer's agents struggle to find enough properties to sate the appetites of wealthy buyers, much of the rest of the country remains deep in the doldrums.

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## US: Economy improving

The Chicago Tribune reports that the economic crisis that began in 2007 was the direct result of a crash in the housing market.

Banks approved home loans for unqualified borrowers. When

these borrowers were unable to keep up payments, the banks lost billions, leading the U.S. economy and financial system to the brink of collapse.

There is optimism that the worst of the financial crisis is in the past. Employment numbers are improving, stocks are gaining ground, and American consumers are beginning to feel more optimistic about the future.

Many economists predict 2012 will be the year the economy turns around and permanently ends the Great Recession.

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## CH: China to continue regulations

China will continue to regulate the real estate market to bring down property prices to a reasonable level, according to a government work report distributed to media

before the opening of the annual session of the national legislature.

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## SI: Singapore a hot-spot

Website AsiaOne reports that the private housing market in Singapore scaled new heights in 2010 and 2011 and as a result, there is now an increase of finished stock ready to be purchased.

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