

REIA NEWS

ISSUE 36: JULY 2014

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INFORMATION.



Mr Peter Bushby
REIA President

PRESIDENT'S REPORT



WELCOME FROM REIA'S PRESIDENT

Another financial year done and dusted and a number of Government measures starting up while others have been wound down. Inside this edition of REIA News, you'll find out more on how these changes may affect you and your business.

REIA continues to advocate for the highest standards within the real estate profession with education and licensing still top priorities. In this edition, REIA Policy Manager Jock Kreitals keeps us informed of the latest developments in commercial licensing.

I recently had the honour of being a judge at the NSW Auctioneering Championships. Hearty congratulations to Gavin Croft of Bresic Whitney (who

won last year too) and Clarence White from McGrath who came in second. It never ceases to amaze me the level of skill and finesse these energetic experts have and I can't wait to see Gavin and Clarence join the other Australian state and territory winners and runners up when they take on New Zealand later in the year in Auckland.

Speaking of titles, submissions for the EAC/REIA NSW Awards for Excellence have been extended until 18 August, so if you're a member of Estate Agents Cooperative, LJ Hooker, First National or Professionals we want you! These are the **only** NSW awards that can take you through to the REIA National Awards for Excellence. See [here](#) for more details.

Mr Peter Bushby

REIA PRESIDENT



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NEW GOVERNMENT MEASURES COME INTO FORCE

From 1 July, a number of the Government's new measures came into force. Here are some of the things that may affect you and your business.

- For individuals, the changes include the **temporary budget repair levy** and the rise in compulsory **superannuation**. A levy has now been placed on high income individuals and will continue until 30 June 2017. The levy will apply at a rate of 2% on those whose adjustable incomes are over \$180,000 a year.
- To prevent high income earners from utilising fringe benefits to avoid the levy, the FBT rate will be increased from 47% to 49% from April 1 2015.
- The superannuation guarantee has risen to 9.5% and will result in employees getting an additional 0.25% superannuation.
- Employers will benefit financially, receiving a Government incentive of \$10,000 for employing mature age **job seekers** re-entering the workforce. The youth job retention bonuses are also now up and running for job seekers under 30.
- At this stage, uncertainty continues for small business regarding the instant asset write-off situation.
- **Tax receipts** will be provided to taxpayers, telling them where and how their taxes were used. About 10 million taxpayers will get their receipts along with their notice of assessment and it will show, in dollar terms, how much of a person's tax bill was spent on each budget area.
- With regards to housing, the **First Home Saver Scheme** is being phased out. Existing account holders no longer receive the Government co-contribution and tax and social security concessions will end on 1 July 2015.
- The **National Rental Affordability Scheme** has been abolished, although the Government said incentives already allocated through the scheme will continue to be paid for up to 10 years.

The new Senate has been installed, so it remains to be seen which of the Government's other measures will be passed through the Houses of Parliament. The country's balance of power now rests with eight crossbenchers.



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PM SAYS FOREIGN INVESTMENT CONTRIBUTES TO ECONOMIC GROWTH



GIVE YOUR BUSINESS AN EOFY HEALTH CHECK

The end of the financial year is a great opportunity to give your small business a health check to make sure you're on top of all your obligations and responsibilities.

There's a range of online information, tools and other software to make the health check worthwhile and as painless as possible.

Our online assistance is available 24/7 to fit your schedule and we've provided access to some key products on the ATO app.

Make sure you lodge and pay on time to avoid penalties. Our small business portal and Electronic Commerce Interface (ECI) software make it easy to lodge BAS and other reporting online.

If you can't pay or lodge on time for any reason, don't be afraid to contact us. We're as keen as you are for your business to succeed and we have an enormous amount of experience and expertise to help you get back on track.

End-of-financial-year tax considerations for small business:

- Business Activity Statement (BAS) - Even if you have nothing to report it is important to lodge

your BAS on time. Tip: keep the GST you collect separate from your business account so you don't have payment problems when your BAS payment is due.

- Capital Gains Tax (CGT) - Make sure you report capital gains from the sale or disposal of shares or property. Tip: keep good records so you can make the most of the CGT discount and small business CGT concessions.
- Record keeping - Take time to ensure all your records are in order. This will help your tax agent prepare your tax return and make sure you claim all the appropriate deductions and entitlements.
- Employees - You must provide employees with payment summaries (previously called "group certificates") no later than 14 July so they can complete their tax returns, even if you were not required to withhold tax from their pay. These payments must also be included in your pay as you go (PAYG) payment summary annual report.

For more information on any end-of-financial-year tax issues go to ato.gov.au/smallbusiness or talk to your registered tax agent.



REIA attended the Economic and Social outlook Conference in Melbourne

last week, where Prime Minister Tony Abbott was asked about the importance of foreign investment in residential real estate and its contribution to economic growth. Mr Abbott said the Government had no plans to change its policy on levels of foreign investment, although he acknowledged it was a contentious and emotional issue. "If I want to sell my place, foreign investment might make sense but if my neighbour wants to sell his place, foreign investment might be the last thing we want," he said.

Mr Abbott said Australia would be unimaginable without foreign investment. "As a general principle we support foreign investment. Always have and always will," he said.

REIA has made a submission to the House of Representatives Economics Committee's Inquiry into Foreign Investment in Residential Real Estate which supports foreign investment and provides factual information to show that it has little impact if any on housing affordability. The submission is available [here](#).

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TWO IN A ROW FOR GAVIN

Winner of the NSW Auctioneering Championships, Gavin Croft of Bresic Whitney



SAUDI ARABIA REACHES OUT TO REIA



L-R: Evgeniya Hawthorne, REIA Research Officer; Saad Fahad Aldileym and Abdulhakeem I. Al-Aqeel, Ministry of Commerce and Industry Saudi Arabia; and Amanda Lynch, REIA CEO

Recently REIA met with a delegation from Saudi Arabia to outline Australia's model approach to professionalism and educational standards in the real estate sector. The visit was organised by the Saudi Embassy in Canberra. At the meeting, REIA CEO Amanda Lynch and Research Manager Evgeniya Hawthorne provided an overview of the Australian market and the delegates, Mr al-Aqueel and Mr Aldileym of the Saudi Ministry of Commerce and Industry, were keen to learn from the Australian framework which encourages and highlights best practice and consumer protection through educational qualifications, regulation and continuing professional development.

Eleven of New South Wales' top auctioneers have fought it out in the NSW finals of the Australasian Real Estate Institutes' Auctioneering Championships, hosted by Estate Agents Co-operative Ltd and the Real Estate Institute of Australia.

The winner was Gavin Croft of Bresic Whitney, who was also last year's winner, with Clarence White of McGrath Estate Agents as runner up.

Dale Whittaker, Chairman of EAC stated, "There was an outstanding level of competition in the final with the standard even higher than last year. All the competitors should be congratulated on their performances."

REIA President Peter Bushby, a judge in the competition, said, "The cream of NSW's auctioneers continue to support the Australasian REIs' Auctioneering Championships with compelling displays of persuasive showmanship, finesse and passion. The excellence of finalists from across the nation will send a message to our friends across the Tasman that we mean business this year!"

Gavin and Clarence will now go onto the National Championships to join contestants from Australia and New Zealand at the final event which is being held in Auckland, New Zealand on the 21st-23rd October 2014.

SMALL BUSINESS SUMMIT AT PARLIAMENT HOUSE



Minister for Small Business Bruce Billson, REIA CEO Amanda Lynch and CEO of the Institute of Public Accountants Andrew Conway

The REIA CEO, Amanda Lynch, recently met with the Minister for Small Business Bruce Billson and Shadow Minister Bernie Ripoll at the Small Business Summit at Parliament House hosted by the Institute of Public Accountants. At the meeting, REIA was able to work with a select number of industry associations on developing policy positions on tax reform, access to finance, industrial relations, education and training for professionals and competition policy.

The Summit will lead to a White Paper which will be presented to the Federal Government and Opposition later in the year. The White Paper will include a policy on a simplified small business tax system which supports growth, including capital gains tax concessions, a fringe benefits tax overhaul, reintroduction of the loss carry-back regime, and simpler structure options for small businesses.

This article is brought to you by
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DEVELOPMENTS IN THE LICENSING OF COMMERCIAL PROPERTY TRANSACTIONS

Most would have thought that with the Council of Australian Governments' (COAG) decision to not pursue the national occupational licensing scheme reform but to instead work together via the Council for the Australian Federation (CAF) to develop alternative options for minimising licensing impediments to improving labour mobility and to manage the orderly disestablishment of the National Occupation Licensing Authority, that the status quo would prevail until CAF had undertaken its task in an orderly and objective manner.

CAF subsequently indicated that it will prioritise electrical, plumbing and gas-fitting in 2014 with real estate not to be considered until 2015 at the earliest. CAF further added that it will take a common sense approach rather than the ideological stance taken earlier.

This has not been the case, however, regarding commercial property transactions.

In NSW, in the June 2014 draft report by the Independent Pricing and Regulatory Tribunal, it was recommended to the NSW Government that commercial licensing should exempt commercial property agents who sell or manage property for a related corporate entity from the requirements of the *Property Stock and Business Agents Act 2002*. This however seems to be the thin edge of the wedge leading to deregulation of commercial property. In a letter from NSW Fair Trading inviting stakeholders to a discussion on the recommendation, reference is made to the position in QLD where the Property Occupations Bill exempts the requirement of a licence for commercial property above a certain value or floor area. The letter notes that "although the NSW draft Regulation does not include any reference to the possible exemption of commercial property work, this review has the opportunity to consider this matter".

It should be noted that matters raised were the very ones considered in the national licensing process and eventually ruled out by the Decision Regulation Impact Statement considered by COAG at its 13 December meeting.

REIA, in response, wrote to the NSW Minister for Fair Trading indicating it is firmly of the view that the proposal to make certain commercial property transactions exempt from the requirements to hold a licence is not only unworkable but has detrimental consumer consequences. The situation regarding consumer risks and administrative burden has not changed since partial deregulation of commercial property transactions was considered in NSW in 2002 and again in 2008. REIA also noted that the presumption that all consumers involved in large commercial transactions are "sophisticated" is incorrect. In many

» *article continues*

cases, consumers who do not have an extensive background in commercial sales are making one of the largest transactions of their lifetime and will be exposed to additional risk under this proposal. There is no justification for consumers of commercial property to not have the same protection as those in residential. The risks are the same therefore the protection should be the same.

REIA and Estate Agents Co-operative (EAC) – a member of REIA's Affiliates' Council – subsequently met with the NSW Minister to discuss concerns. It was pointed out to the Minister that the proposal was unworkable with very high administrative costs. The proposed two-tier market would eventually lead to a breakdown because of these costs and the confusion in the market at which stage the Government would have to either reverse its earlier decision or deregulate the commercial sector entirely.

In the latter case we would have commercial property transactions being undertaken by those who have: no relevant qualifications; no experience; no probity checks; no age minimum; no Professional Indemnity Insurance; no audit requirements; no rules of conduct; and no trust account protection.

By contrast, in Victoria, the REIV Commercial and Industrial Chapter has secured a major win against the lobbying of the commercial property sector on the licensing of commercial property, protecting commercial agents from major changes proposed by the Victorian State Government. The Victorian Treasurer and Deputy Premier had announced the proposal as one of 36 "red tape reforms" in early January. REIV was rewarded when it was subsequently advised that the State Government would not be proceeding with a proposal to remove commercial agent licensing for "large transactions". In discussions, it

transpired that the proposed changes were being sought by a small number of high net worth companies, to the detriment of the rest of the industry. The proposed changes had been previously rejected on consumer interest grounds.

The NSW Government is expected to make a decision on this important issue sometime in August. REIA will keep readers informed of this.

YOUNG CHAMPION 2014 REIT SCHOOLS AUCTION COMPETITION



REIA President, Peter Bushby with the Mayor of Launceston, Albert Van Zetten, the winner of the 2014 REIT Schools Auction Competition, Charles Headlam of Scotch Oakburn College, Launceston and REIT CEO Mark Berry

The Real Estate Institute of Tasmania (REIT) School Auction Championship was run in Launceston on the 2nd of July. Three schools participated this year – St Patricks College, Scotch Oakburn and Launceston Grammar. Over a ten week period, the students volunteer one hour of their time per week and are coached and trained by mentors Michael Walsh, Sam Woolcock and David Jackson. The winner on the night was Charles Headlam of Scotch Oakburn College.



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REIA PARTNERSHIP WITH BENDIGO AND ADELAIDE BANK CONTINUES

The 2013 Corporate Reputation Index ranked Bendigo and Adelaide Bank as the 12th most reputable company in Australia and REIA is proud to be partners with Bendigo and Adelaide Bank in providing quarterly reports on the state of the Australian property markets.

Bendigo Bank/REIA Real Estate Market Facts is a quarterly report on residential property markets in the capital cities and major regional centres throughout Australia. It contains the following information:

- Quarterly median, lower quartile and upper quartile house prices for capital cities and inner, middle and outer zones of capital cities
- Quarterly moving annual (trend) median house prices

- Quarterly median, lower quartile and upper quartile prices for flats/units/townhouses for capital cities and inner, middle and outer zones of capital cities
- Quarterly moving annual (trend) median prices for flats/units/townhouses
- Quarterly median weekly rents of 3 bedroom houses and 2 bedroom flats/units/townhouses for capital cities
- Quarterly median, lower quartile and upper quartile weekly rents for 2, 3 and 4 bedroom houses for inner, middle and outer zones of capital cities
- Quarterly median, lower quartile and upper quartile weekly rents for 1, 2 and 3 bedroom flats/units/townhouses

- Quarterly residential vacancy rates for capital cities
- Charts of median prices for houses, flats, units, townhouses and vacancy rates
- Yields and returns for three bedroom houses and other dwellings for all capital cities.

The Adelaide Bank/REIA Housing Affordability Report is recognised as the most authoritative indicator of Australian housing affordability currently available. It contains the following information for Australia and each of the states and territories:

- Proportion of family income devoted to meeting average loan repayments
- Proportion of family income devoted to meet median rent repayments
- Comparison of movements in rents and CPI
- Median weekly family income
- Average monthly loan repayments
- Average loan
- Total number of loans
- Average loan, standard variable interest rate and fixed interest rate figures for banks, building societies and other lenders.
- Home loan affordability indicator



John Billington, Executive Bendigo Wealth and Amanda Lynch, REIA CEO at REIA headquarters, Canberra

To subscribe, go to [HAR and REMF](#)

REIA
Real Estate Institute of Australia

Housing Affordability Report

Bendigo Bank

MARCH QUARTER 2014

Marginal Improvement in Housing Affordability

The March quarter 2014 showed a slight improvement in housing loan rates, with the weighted average rate required to meet loan repayments down by 0.1%.

The average loan size to first home buyers increased 0.8% over the March quarter and by 3.2% compared to the same time last year.

In the March quarter, there were increases in the average loan size to first home buyers in most states and territories except Victoria, Queensland, Western Australia, Tasmania and the ACT. New South Wales had the biggest decrease, down by \$302,233.

Over the March quarter of 2013, there were increases in the average loan size to first home buyers in most states and territories except Victoria, Queensland, Western Australia, Tasmania and the ACT. The ACT was the only jurisdiction to have a decline, down by 1.7%.

The total number of loans (excluding refinancing) decreased 13.9% over the March quarter of 2013, while the number of loans in the states and territories contributed to the quarterly fall with the largest drop in New South Wales, down by 21.7%.

Compared to the March quarter of last year, the Northern Territory is the only jurisdiction to show a drop in the number of loans (excluding refinancing). Tasmania had the biggest rise, up by 22.0%.

Over the March quarter, the average loan size fell slightly, down by 0.1% to \$337,276. This is 4.1% higher than a year earlier.

During the quarter, Victoria, Queensland, South Australia, Western Australia and Tasmania all increased in the average loan size, while the largest in Western Australia, up by 2.5%. The biggest decrease was in New South Wales, down by 2.2%.

Compared to the corresponding quarter of 2013, all states and territories, except for Tasmania, had increases in the average loan size.

Fast Facts:
March quarter 2014

Quarterly Australian weighted average median house price & factors

REIA PUBLICATIONS

REIA has published property market data and analysis for several decades. It has an excellent reputation as a highly credible source of information and considered opinion on the residential and commercial property markets in Australia.



REIA publications use information collated from a wide variety of sources including real estate agencies, industry and government. Both raw data and analysis are published in REIA reports.

The Adelaide Bank/REIA Housing Affordability Report and the Bendigo Bank/REIA Real Estate Market Facts may be purchased as single copies or by subscription. For more about the Adelaide Bank/REIA Housing Affordability Report, [click here](#). For more about the Bendigo Bank/REIA Real Estate Market Facts publication, [click here](#).

Also, “datacube” spreadsheets provide key information on quarterly median values, dating from the beginning of REIA data collection through to the current quarter, for all capital cities where data is available. For more information on REIA datacubes, please call 02 6282 4277.

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TAX HELP AVAILABLE NEAR YOU

This year around 1,200 Tax Help volunteers from approximately 830 community centres across Australia will be providing support to people having difficulty completing their own tax returns.

"Tax Help is a free and confidential service provided by local ATO-trained and accredited volunteers," Assistant Commissioner Karen Anstis said.

"Last year over 55,000 people needing help with their tax return received assistance from our Tax Help volunteers."

Low income earners who earn around \$50,000 or less per year and have straightforward tax affairs are eligible to use this service.

Many of the Tax Help centres also cater for people from non-English speaking backgrounds, Aboriginal and Torres Strait Islander people, students, seniors and people with a disability.

The free service is available by appointment until the end of October 2014.

To find out if you are eligible go to ato.gov.au/taxhelp or to make an appointment at your nearest Tax Help centre, phone 13 28 61.

STATE OF THE ACT MARKET



Finance Minister Senator Mathias Cormann speaking at a forum on the State of the Market hosted by REIACT and the Australian Property Institute.

Finance Minister Senator Mathias Cormann was the guest speaker at a forum on the State of the Market hosted by the Real Estate Institute of the ACT and the Australian Property Institute.

Senator Cormann defended the Federal Budget and the need for fiscal restraint saying that without the tough medicine future generations of Australians would be saddled with debt and higher taxes. He said that of the 16,000 Federal Government job cuts up to 2016-17 which began under the Labor Government, 6,000-7,000 were in Canberra.

John Runko, CEO of Independent Property Group, provided an overview of the factors affecting the Canberra market. These include generationally low interest rates, a low unemployment rate of 3.75% compared with the national average of 5.8%, budget impacts, the supply pipeline and current demand drivers such as population. Mr Runko said that with 1.6% growth in Canberra, this meant 53 new homes every week would need to be built to support our growing population. On the less positive side, market confidence in the ACT was the worst in 20 years.

That said, the fundamentals of the ACT residential market were strong, with balanced supply and a continued pattern of stability.

INDUSTRY ARTICLE



WHAT IS GREAT CUSTOMER SERVICE, MOST IMPORTANTLY DO YOU PROVIDE IT?

Great customer service is a major differentiator for successful real estate businesses. In today's marketplace it is time for the true value of superior customer service to come to the forefront of our minds.

So, what is great customer service? Do you really know if your business actually provides great customer service? Maybe you think you do, but how do you really know? Recognising poor customer service is quite easy. I'm sure every one of us has experienced the kind of customer service that I'm talking about. But, what about great customer service? The service you received at a five star hotel is probably the first thing that comes to mind, but more often than not it is our hairdresser or barista that provides us with great customer service.

When you think about getting your morning coffee, what keeps you coming back to your barista? They know you, know what you want, and they know how to keep you coming back. If you apply this to real estate, we can improve your customer service with four key questions:

1. Who are your preferred customers? Most modern real estate businesses have a customer profile that details who the customers are. Your focus could be home unit investors or residential first or second home buyers. Like many agents, your location will determine what you sell but it is your

choice as to who your customers are. Likewise with property management, you are able to choose who you work for. Start by writing a description of your 'perfect customer'. Who are they? Once you have a description of them, you'll begin to recognise them and when you can identify them, you can attract them.

2. What do your customers need and expect from you as a service provider? This may sound simple enough, but have you ever asked your customers what they need from you and what they expect from your business? You may be surprised. Vendors commonly list 'communication' as the number one thing they want from an agent. Landlords respond the same way; accurate and timely communication is the key.
3. Are you meeting their needs? You need to measure how your customers find your service if you are going to be able to improve it. Once again, it comes down to asking your customers if you met their expectations and listening to their answers. Devise a customer service experience survey for your business and send it to every customer. Score it, measure it and set yourself a benchmark to attain and then maintain.
4. How are you going to retain customers? By completing steps 1-3, you will highlight the areas in which

improvement is needed. Mapping any path requires firstly knowing where you are, then identifying where you want to be and then plotting a course from one to the other. Ongoing and continual measurement of your customer service level can only result in an improvement. Keeping your preferred customers can sometimes mean letting go a few of your less desirable customers. This may seem the wrong thing to do right now, but once you've decided who your preferred customers are and you begin to attract and work for them, you will not give these others a second thought.

Great customer service is never an accident. It takes a formal plan and some hard work to achieve and it takes dedication and commitment to maintain. Accept the challenge, become an exponent of great customer service.

Jen Barbour

MARKETING COORDINATOR, ROCKEND

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This article is brought to you by REIA Research Officer, Evgeniya Hawthorne
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INCREASED SIGNIFICANCE OF PROPERTY MANAGEMENT



The post-GFC economic environment, along with rising debt levels and tighter access to finance, affected the housing market and resulted in real estate agencies having to adapt their business models to better suit the conditions of the market. It has prompted many agencies to focus more on property management rather than relying on sales alone.

A survey conducted earlier this year by Macquarie Business Banking and recently published as the 2014 Residential Real Estate Benchmarking Report found that property management has become an increasingly important part of most agencies, with the best performers finding synergies between sales and property management.

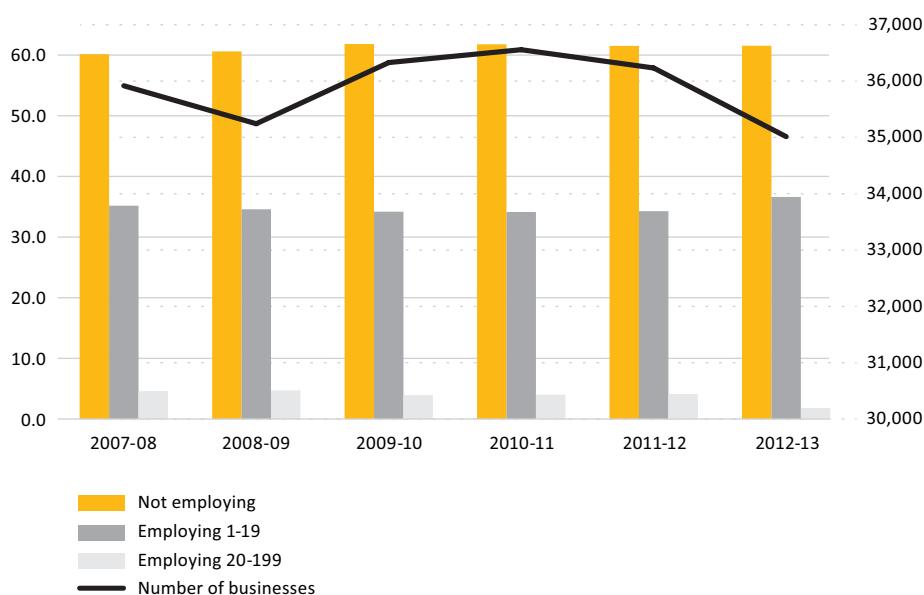
The report highlights that sales volumes have increased nationwide, although there are significant differences between states and territories and that with the increase in property management, any upturn in agencies' profitability should not be credited to increased sales volumes alone.

In 2012, Macquarie reported that 72% of agencies named rent roll growth and/or acquisition as the best future strategies for increasing profits. Two years later, the 2014 report confirms that property management is indeed an important element accounting for 44% of overall agency's revenue – a substantial rise compared to 29% in 2007.

According to the 2014 report, the number of properties under agency management has skyrocketed over the last five years, from a national average of 375 per agency in 2009, to 508 in 2014. Such an increase comes as no surprise considering that the value of housing finance commitments from investors has shown three years of consecutive monthly increases in trend terms, according to the Australian Bureau of Statistics (ABS). The Reserve Bank of Australia estimates the share of investors in New South Wales and Victoria is around 40%. Furthermore, Macquarie found that the number of properties overseen by each full time property manager has edged higher compared with 2012.

A contributing factor may be found when analysing the ABS's publication *Counts of Australian Businesses*. It shows that at the end of 2013, the number of real estate services businesses had fallen to its lowest in six years. Smaller agencies with up to 19 staff made up 36.6% of real estate businesses while larger agencies represented only 1.8% – the lowest since 2007-08.

FIGURE 1 Real Estate Services Businesses



Source: ABS

These observations show that agencies indeed have been following the strategy of rent roll growth/acquisition to drive increasing profits. Their strategy has no doubt led to stiff competition for rent rolls with acquisition more difficult than before.

Despite the current more favourable conditions for the property sales market, stability and consistency of cash flow through property management has proven to be an important business element and focussing on property management is no longer just a short term strategy for agencies looking to increase profitability.

INDUSTRY ARTICLE

DEATH BY ADMIN? RESURRECTION BY APP!

Will Irving, Group Managing Director, Telstra Business, looks at how technology can free up time spent on admin to enable small and medium businesses to invest more time on what matters most.

Sometimes it feels like we're fighting a never ending battle to find a balance between serving customers, responding to messages and emails, talking to suppliers and staff, making or returning phone calls and spending time on what matters most – whether that is time with family and friends, growing the business or learning or refreshing skills.

Real estate agents and property services providers operate in one of the fastest paced and most mobile industries in Australia. As a result, mobile business apps are immensely valuable tools and are rapidly being taken up to free staff from admin tasks in order to spend more time out with vendors and owners, or talking to prospective buyers or renters, plus of course arranging all the logistics that are needed to maximise the value from every listing.

Most businesses spend, on average, almost half (47 per cent) of their time on administration and logistics tasks of one form or another, according to research by Telstra. With more than 75 per cent of these businesses owning smartphones and 40 per cent already using tablet devices, it's a case of needing to work smarter not harder and learning to use your technology to its full capability.

A new range of mobile apps can help businesses reduce the time spent on administration, boost productivity and streamline general business processes.

Mobile business apps often take traditional business tools, such as desktop software for customer management and pen and paper forms, and transform them into easy-to-use applications specifically for smartphones and tablets.

Many consumers have embraced the power of apps in their personal lives. The rapid uptake of smartphones and tablets by business means that there's a huge opportunity for business operators that adopt mobile business apps to profit from streamlined customer and staff interactions.

For real estate in particular, mobile apps like Canvas, GeoOp, Garmin Navigator and ARISapp, all enable smart business processes to be streamlined between compatible smartphones and tablets, allowing greater flexibility and business agility. Whether it is property reports, quotes and tracking, repairs, advertising and copy approvals, or the management of databases of prospective purchasers – new apps let you make the most of time out of the office and deliver the most pro-active and timely service possible.

When you couple mobile business apps and the latest smartphone and tablet devices, businesses can enjoy much greater flexibility. For example, the Canvas app produces reports and invoices on the spot from your smartphone or tablet and makes carbon copy books and re-typing orders into a computer later, a thing of the past.

All the apps are available on a month-to-month subscription basis through Telstra's popular T-Suite offering, enabling businesses to manage their mobile requirements through a single service with easy billing and provisioning.

With a competitive and fast-moving market and vendors and purchasers informed like never before, you can't afford not to be thinking about how to make the most of your time and deliver the most professional and pro-active service possible. Today's mobile business apps make this possible like never before.

For more information about Telstra's Mobile Business Applications and other mobility solution tools visit:
<http://www.telstra.com.au/small-business/>





Australian Government

Stay tuned for the
RETUNE

FACTSHEET

WHAT IS THE RETUNE?

As the final step in Australia's move to digital-only TV, some channels will change frequencies. After they've changed, you'll need to retune your digital TV, set-top box or digital TV recorder to find the channels that have moved.

These moves will free up broadcasting spectrum so that it can be used for new services such as mobile broadband. Just like the switch to digital-only TV, the retune is being carefully planned to make sure the change is as easy as possible.

Different areas will need to retune on different dates, so to find your date visit www.digitalready.gov.au/retune where you can sign up for a reminder SMS or email.

WHO DOES IT AFFECT?

The retune will affect most TV viewers in Australia. But if you are watching TV via the Viewer Access Satellite Television (VAST) service, the retune won't affect you. If you watch your free-to-air channels via pay TV, your set-top box may be retuned for you by your provider. You may find some of your equipment will automatically detect changes to the channels and retune itself, or it may prompt you to retune. If you are missing a free-to-air digital TV channel or channels you will need to retune.

If you live in an apartment, you may be using a shared antenna system. If you are experiencing issues trying to retune your digital TV equipment after your retune date, you should first contact your property manager or body corporate.

IMPORTANT INFORMATION FOR BUILDING OWNERS, PROPERTY MANAGERS, BODY CORPORATES AND INDIVIDUAL OWNERS

Many strata properties, including apartment buildings and groups of townhouses, have shared TV distribution systems, also known as Master Antenna Television (MATV) systems. These devices, which come in different forms, are used to distribute TV signals to individual units throughout the property.

If you are a building owner/manager of flats or units you should consider whether your MATV systems can be adjusted (or retuned) when the retune occurs in your area. If your MATV system cannot be adjusted, your residents will lose some of their TV channels.

You may need to take action to ensure residents continue to receive free-to-air TV. It is recommended you consult your TV services technicians to determine the best course of action for you.

Just like the switch from analog to digital-only TV, two signals may be run to help people get ready for the retune. This will occur for a short time only in areas that are densely populated with high rise buildings, to allow for any works required on shared antenna systems in those building to be completed.

Key Points

You'll need to retune your digital TV, set-top box or digital TV recorder on or after your retune date.

Different areas will retune on different dates.

Find out your retune date by entering your address on our website at www.digitalready.gov.au/retune

You can also sign up for a reminder SMS or email about your retune date.

More Information

Visit www.digitalready.gov.au/retune or call the Digital Ready Information Line on 1800 20 10 13, 8am to 10pm (AEST), 7 days.

Want more information?



www.digitalready.gov.au/retune



1800 20 10 13

FIABCI AUSTRALIA REPORT

FIABCI/UNITED NATIONS GLOBAL COMPACT CITIES PROGRAM

FIABCI and the Global Compact Cities Program, a United Nations International Secretariat, signed a high-level agreement of cooperation during the FIABCI World Congress recently in Luxembourg. The agreement confirmed a strategic collaboration which began earlier this year in Dubai, to write a Charter for Sustainable Property Development and to develop a set of associated tools and assessment processes.

The FIABCI World Congress is one of the most respected global real estate meetings. Over 1,000 global leaders from the real estate industry attended the 65th Congress to network, build business, share

experience, and advance industry knowledge. The Congress theme was “*Building Humanity*”. Several world-renowned experts and internationally recognised business leaders from the global real estate and development industries shared cutting-edge ideas. The Congress included focused discussion on the challenges and principles of property development.

Positive and sustainable property development is complex. Agreeing on broad principles and assessment tools cannot be coordinated easily. There are many fields of property development involved including legislators, builders, planners, realtors, financiers, architects, brokers, plumbers etc. There are thousands of different codes, regulations, principles and procedures which are implemented according to each country and there is currently no charter of responsibility that manages or coordinates them in a unified process.

“The subject of positive, sustainable property development cannot be left to a few good developers and some innovative cities,” said Robyn Waters, FIABCI World President.



Chris McGregor

The collaboration will focus on an approach called ‘Circles of Sustainability’ which will organise different sectors involved in property development to work together in a common direction.

“This ground-breaking agreement which we signed in Luxembourg, has created an innovative global consultation process focused on effective property development that will involve hundreds of experts from across the world,” said Professor Paul James, Director of the Cities Programme.

“It will take time. But by the FIABCI World Congress in Kuala Lumpur in May 2015 we will have a working charter which will impact how we develop and change cities, project by project. We need to be proactive and this is one step in the process. Change cannot wait for the next generation.”

Chris McGregor

PRESIDENT • FIABCI
AUSTRALIAN CHAPTER



Sam Small talks about how an increasing trend of foreign investment is presenting a new trend in claims.

In the last 5 years the number of claims received by Aon from the Real Estate industry has not seen significant increases. In fact after a spike in 2011, although the number of incidents reported has risen, those resulting in a claim have decreased.

However, they have observed one type of claim in particular that is becoming more frequent and can be associated with potentially significant cost.

Increasing foreign investment

"There are many opportunities for foreigners to acquire real estate in Australia. The latest figures from the Foreign Investment Review Board (FIRB) show that in the last financial year foreign investment in Australian Real Estate was worth \$5.4 billion. This is a staggering amount compared to \$810 million in 2009-2010. As a result our underwriter reports that the number of claims against real estate agents relating to foreign investment has increased"

*Melinda O'Connor,
Real Estate Manager Aon*

So how does this manifest itself as an actual claim? Increasingly, properties are purchased by an overseas buyer without the purchaser physically inspecting the property. Following settlement the client feels that certain elements during the campaign have been misrepresented, often resulting in a claim against the agent.

Defence costs can run in to tens of thousands of dollars depending on the type of claim. For example, reserves of \$80,000 are common. However, cost is not the only factor to consider; a significant amount of time is spent with lawyers in preparing statements which interrupts your ability to run your business.

Reducing the risk of misrepresentation

- Make sure all representations and statements made in the sales process are accurate and from reliable sources.
- Don't alter the information, even a small change could make the meaning of a sentence completely change, leaving you accountable.
- Include a disclaimer on all information and documentation provided.

Protecting the risk

Your professional indemnity cover is available to protect your agencies cash flow and reputation in this scenario. If the cover has a legal helpline you can also use this to get advice on how to take steps to protect yourself.

Significant Claims

Since 2007 the Aon Real Estate claims team have seen 16 claims of over \$100,000 from over 5,000 managed relationships with real estate agents but it is nonetheless a risk. If you should be unfortunate enough to receive a significant claim the cost of insuring yourself will be easily outweighed by the benefit both financially and through the support and advice you receive.

Do you have best practices you use when presenting a property to foreign investors that you would like to share?

Please share your experiences and tips on Aon Small Business facebook page.

Contact Aon's Real Estate Team today.

1300 734 274

Aon Small Business  Find us on Facebook



The endorsed insurance broker for the Real Estate Institute of Australia, the Real Estate Institute Australian Capital Territory, the Real Estate Institute Queensland and the Real Estate Institute of Western Australia.



INDUSTRY UPDATE

Industry news from around Australia



Power couple

Industry backed property portal [realestateVIEW.com.au](#) and independent news website, *The New Daily*, have announced a partnership to share content and property listings in a move which will further shake up the online news and property listing landscape.

The partnership will provide competition to the current media duopoly with the *New Daily's* two million potential readers and added exposure to [realestateVIEW.com.au's](#) 350,000-plus sale and rental property listings.

"The *New Daily*, which has been created by the Industry super funds network will help people to make better decisions about their day, their finances and their life online. This partnership allows [realestateVIEW.com.au](#) to tap into that audience by supporting readers on their property journeys. It also supports our goal to become the number one destination for consumers to research one of the biggest purchases of their lives" says Ms Petra Sprekos, [Realestateview.com.au](#) General Manager.

Cuts for Canberra

Job cuts in the Australian public service are likely to significantly impact the economic outlook for the Australian Capital Territory (ACT) according to Australian Construction Forum market reports of all states and territories.

The Federal Government has flagged intentions to reduce the public service workforce by up to 14,000 people, with some reports suggesting that over 5,000 of this to come from the nation's capital. Lower employment in the ACT would impact personal consumption levels

and put additional downward pressure on housing demand, reversing previous strong growth. The report can be found [here](#).

Homes for people

The City of Melbourne is the fastest growing municipality in Australia. The residential population has doubled to more than 116,000 people since 2001. By 2021, it is expected to grow to more than 150,000 people and almost 200,000 by 2031.

Housing plays a big part in the health and quality of life of residents, communities and the economy. It is also one of the biggest and most complex issues faced by cities today and Melbourne is no exception.

Homes for People looks at ways to improve the affordability and design of housing to meet the diverse needs of residents. Homes for People outlines three main goals:

- to provide more affordable homes for low and moderate income earners,
- improve design and environmental standards of new apartments, and
- ensure the community is equipped with the knowledge and information they need about good quality housing.

As the city's population continues to grow, you are asked to participate in the development of the final strategy. Visit [Participate Melbourne](#) to get involved.

Population growth and urban housing

The latest population statistics from the Australian Bureau of Statistics have NSW growing faster than over the last four years, according to the Urban Taskforce.

"With record growth occurring to the population in NSW we need to ensure that our planning system is supporting

the increasing numbers coming to the state," says Urban Taskforce, CEO Chris Johnson. "While NSW growth over 2013 increased by 1.5% this is still behind Victoria's 1.9% and Queensland's 1.7%."

"With 71,400 extra people coming from net overseas migration in 2013 out of a total increase of 110,000 people it is clear that migration is becoming the main contributor to the state's growth."

Electricity prices

Australian households are using four per cent less electricity than they were four years ago, but the value of electricity used has risen by 43 per cent over the same period, a report released by the Australian Bureau of Statistics (ABS) shows.

"Between 2008-09 and 2011-12 the total value, at purchasers prices, of electricity consumed by households increased by 43 per cent or \$4 billion," said Peter Williams from the Australian Bureau of Statistics.

"Households and the manufacturing industry were the two largest domestic electricity users, with households using 24 per cent of all electricity and contributing 40 per cent of the total value of electricity use.

"The quantity of coal used to produce electricity decreased by two per cent or 22 petajoules but the total value of the coal used in the production of electricity increased by six per cent or \$93 million.

The transport industry contributed 38 per cent of the total value of all industry use of petroleum products. In 2011-12 the transport industry's consumption of petroleum products was valued at \$14 billion, an increase of 15 per cent or \$2 billion from 2010-11.

MAKING NEWS

General national news



Austrian bonds

While international efforts in the field of private finance for affordable housing accelerated in the 1990s, Australian policy has continued to rely heavily on government funding and sporadic innovative programs. This project investigates the potential to adapt the Austrian Housing Construction Convertible Bonds scheme to Australia. The Austrian scheme has been found to be popular among risk averse investors, an efficient scheme for capturing long-term savings and given the modest tax incentive, very cost effective. The full report can be found [here](#).

Seniors downsizing

The national Seniors Productive Ageing Centre report, *Downsizing Decisions of Senior Australians* shows that in late 2013, over three-quarters of seniors (78%) lived in a separate house with three or more bedrooms. Sixty-one per cent of people living alone favoured living in a separate house or semi-detached residence with three or more bedrooms.

Ten per cent of seniors reported that they had moved to a smaller place of residence in the last five years, with over half (55%) moving to a separate house with three or more bedrooms. The two most common reasons why people moved to a smaller residence in the previous five years were physical (29%) or cost (27%) difficulties in maintaining the home or yard and these were followed by lifestyle reasons (24%).

When asked about their current place of residence, 22% of seniors reported that it was too large in size, while 75% said that it was about the right size. Thirty per cent of seniors stated that they were considering moving to a smaller residence and 56% were not considering such a move. More couples

living in four-bedroom dwellings or larger (46%) considered downsizing compared with people living alone in a dwelling with three or more bedrooms (25%).

The people most likely to consider downsizing were those aged 50–64 years including couples living in separate houses with four or more bedrooms and those expecting a family member to move out in the next two years. The full report can be found [here](#).

Super rise

Millions of Australians received a hidden pay rise this month, when their compulsory superannuation payments rose from July 1, putting more money into their retirement purse.

The rise to the superannuation guarantee (SG) will result in employees getting an additional 0.25 per cent superannuation – climbing to 9.5% – dropped into their super kitty.

That's an extra \$10,713 for a 35 year old salary earner on \$80,000 a year, and almost \$19,000 if they are on \$150,000.

For most Australians the SG increase will not affect their take-home pay, but the Australian Institute of Superannuation Trustees' chief executive, Tom Garcia, says the way workers will receive it will vary among employers.

"It depends on how your employment situation is set up. It will be a mix — for some it will come out of your take-home pay if you're paid a package," he says.

"If you are entitled to a wage increase then part of it can end up being this increase in the super guarantee."

Australians are also being urged to take note of the super contribution caps so they don't get pinged for making payments that exceed the cap.

The concessional super caps rose on 1 July from \$25,000 to \$30,000 for Australians aged below 49 on June 30, 2014.

For those aged 49 years or over as of June 30 this year the concessional contributions cap is \$35,000 – up from \$30,000.

Tax scams

The ATO is warning Australians to be on the lookout for a malicious scam that intimidates taxpayers into paying a fake tax debt over the phone.

"This scam is particularly concerning because it threatens taxpayers with legal action or arrest if they do not immediately hand over money and their personal financial details over the phone," said ATO Chief Technology Officer Todd Heather.

"As tax time approaches, scammers are becoming more cunning in their attempts to defraud the public and trick them into handing over money, their TFN or other personal information."

From time-to-time the ATO will send emails, SMS messages or official social media updates advising of new services. ATO messages will never request personal or financial information by SMS or email.

If people receive a call from the ATO and are concerned about providing their personal information over the phone, they should ask for the caller's name and phone them back through the ATO's switchboard on 13 28 69. If people think they may have fallen victim to a phone scam, contact the ATO on 1800 060 062 (8.00am–6.00pm, Monday to Friday).

The ATO has launched a new video campaign on ato.gov.au/identitycrime with helpful tips to protect personal information.

POLITICAL WATCH

Information and news from government



Future of Federation (from Prime Minister Abbott)

The Government has released the Terms of Reference for the White Paper on the Reform of the Federation.

Australia's Federation has great strengths but duplication and overlap between different levels of government results in waste and inefficiency. The Federation has stood strong for 114 years, but Australia today is a very different nation, facing new challenges.

We need to reduce and if possible, end duplication and make interacting with government simpler. We need to clarify roles and responsibilities for States and Territories so that they are, as far as possible, sovereign in their own sphere.

The Commonwealth will continue to take a leadership role on issues of genuine national and strategic importance, but there should be less Commonwealth intervention in areas where States have primary responsibility.

The Terms of Reference have been developed in collaboration with States and Territories, as agreed at the last meeting of COAG. The White Paper will be delivered by the end of 2015.

Lots more

Housing Minister Bill Marmion has congratulated the Department of Housing on the \$46.1million sale this week of two parcels of land expected to yield 1,200 residential lots in Perth's eastern and northern suburbs.

"These sales are great examples of some of the positive results of our Affordable Housing Strategy 2010-2020; Opening Doors to Affordable Housing," Mr Marmion said.

"This will help ensure the rapidly growing Midland region is accessible to a wide range

of West Australians, including the important first homebuyer market."

FACT FILE

- Since 2010, the Affordable Housing Strategy has produced 7,460 lots in partnership with joint venture developers, with more than 70% sold below the median land price
- Opening Doors 2010-2020 has delivered 14,800 affordable housing opportunities so far.

Squatters evicted

NSW Planning Minister Pru Goward announced the eviction of high-flying destructive squatters from their prime-position palm trees overlooking the Harbour in The Rocks. After a lengthy consultation process – with arborists and other experts – the trashed palm trees have been removed and replaced with a variety less attractive to the feathered fiends. Replacement palms are being trucked in from the Central Coast and planted near the Harbour Bridge as part of the four week project to restore the vista provided by the original seven 1920s Canary Island Date Palms.

Small business online dispute resolution

The Minister for Small Business, Bruce Billson has launched 'Dispute Support', a new online dispute resolution information and referral tool for small businesses.

The online tool aims to assist small businesses quickly and easily find the information they need to resolve a business dispute, and identify the most appropriate low-cost dispute resolution service. Dispute Support also provides information on understanding and managing disputes and tips to help avoid disputes in the future.

Dispute Support was developed by the Australian Small Business Commissioner (ASBC) in conjunction with representatives from state and territory governments, including state Small Business Commissioners.

Dispute Support is available on the ASBC's website at www.asbc.gov.au/disputesupport

Streamlining business

As part of the new Entrepreneurs' Infrastructure Programme, the Government is investing \$92.4 million to put in place a new streamlined Single Business Service Delivery initiative.

"The Single Business Service is about making it easier for all businesses to work with the Government. It will make information, advice and support simpler to find, understand and access."

"Under the new service eligible businesses will be linked to specific Government assistance programmes, like the Entrepreneurs' Infrastructure Programme, R&D Tax Incentive, Industry Skills Fund, Manufacturing Transition Grants Programme and Growth Fund and other energy efficiency, industry and skills programs."

Minister for Small Business Bruce Billson says every Australian business, including small businesses and independent contractors, will be able to access Department of Industry information and services through a single website or contact number.

"The service will expand the existing Support Line initiative by providing small businesses with enhanced access to advice on business start-up information, banking, finance, accounting and marketing, advertising, small business counselling and information technology."

THE WORLD

Property news from around the world



All around the world

The International Monetary Fund has launched a website that tracks and compares housing markets around the world. It provides current data on house prices as well as metrics used to assess valuation in housing markets, such as price-to-rent and price-to-income ratios. Quarterly updates can be found [here](#).

China prices

The housing market in China, roaring for at least five years as both a result of rising wages, and speculation by Chinese investors, is cooling.

Recently, 35 out of 70 cities surveyed reported monthly price declines for new homes. That's up from 8 declines in April. Prices in 15 cities were flat but new home prices in 20 cities did see price growth from April. The figures exclude government subsidised homes.

Shanghai remains the most expensive city on the mainland. Home prices there increased 11.3% from a year earlier, the most in the country. It was the seventh straight month the city led the nation.

In the existing home market, prices in 35 of the 70 cities fell last month, while 19 registered gains. On an annual basis, gains were recorded in 64 cities.

Real estate investment continues to rise, but not as much as it has in the past as tighter credit and lower economic growth have developers and lenders proceeding with much-needed caution.

The most encouraging sign of cooling lies in investment. Percentage growth of investment is deflating, but year over year growth continues. This is not entirely

a reverse course, nor an abandonment moment for China's too hot housing market. But it is a recognition that investment has to decline, and it is.

Forbes

Million dollar studio

A New York Times reporter recently tweeted "New barrier breached in NYC real estate? The \$1 million studio." Indeed, a broker had listed a 532-square-foot Upper West Side studio for almost \$1.1 million. The condo is on West 76th Street. But is this really "a new barrier breached" for New York? The answer is a resounding no. It's not even the most expensive studio listed right now. The most expensive studio listing on their website is a [\\$1.8 million condo](#) that's right off the High Line in the West Village. It's 689 square feet of space that, until a month ago, was listed at \$1.9 million.

Mumbai Metro

The long-awaited Mumbai Metro is finally open to the public, a full eight years since the foundation stone was laid. The project's original deadline was December 2010 but delays in shifting of utility lines, land acquisition and getting permission for constructing an overbridge at Andheri delayed the project by three and a half years.

Trains will run at a frequency of three and a half minutes at each of 12 stations, during the rush hour and eight minutes otherwise, taking about 21 minutes to ferry commuters from Ghatkopar on the eastern side to Versova on the western part of the city. At present, during peak hours it takes about 70 minutes to cover the distance by road.

Property consultant Jones Lang LaSalle said it is expect the Mumbai metro railway link to be a game changer for the megapolis' realty landscape.

"Transportation infrastructure economics have historically proven to positively impact real estate value in cities like Mumbai because residential and commercial properties located close to transportation infrastructure tend to command a premium," JLL India COO Ramesh Nair said.

Already, areas benefiting from metro connectivity have seen a price appreciation of 400% over the past eight years, and this trend is set to continue with the metro railway link's imminent launch, the property consultant said.

Northern Ireland

New research puts the average cost of renting a private property in Northern Ireland at £538 (Au\$984) a month.

It also shows that in the first quarter of 2014 the average house price was £134,720 (Au\$246,000). The figure shows a rise of 1.3% on the same period on 2013 and is based on 1,805 transactions, compared with 1,407 a year ago.

The report also found the number of properties being rented in Northern Ireland is on the increase. There were 26,400 lettings in 2013, with most rental properties being terraces, followed by apartments.

The number of households renting from a private landlord in Northern Ireland has increased dramatically over the last decade. Census figures show 41,700 households were in private rental accommodation in 2001; by 2011 that had increased by 128% to 95,200.

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