

REIQ JOURNAL

FOR MEMBERS OF THE REAL ESTATE INSTITUTE OF QUEENSLAND

**REIQ VACANCY RATES -
HOW IS YOUR RENTAL
MARKET GOING?**

**READ OUR NEW
REGULAR SECTION
"HOW TO WIN THE LISTING"**

**NEW CONFERENCE
FOR PMS!**

FEBRUARY 2017

INDUSTRIE MEDIA

Over **1000 sales consultants**,
across more than **300 agencies**,
build their brand with 

**SYDNEY
MELBOURNE
BRISBANE
GOLD COAST
CANBERRA
ADELAIDE
PERTH**

1300 505 539
industriemedia.tv

In this edition:

Rental markets tighten throughout Queensland	16
2017 REIQ Awards for Excellence	18
Why CPD? Five reasons why CPD is good for business	21
Agency Advice	28
How do you convert an exclusive agency appointment to an open listing at the end of a 90-day exclusive period?	
Research	30
Housing affordability improves (and worsens) in Queensland	
Travelling costs and the new withholding tax on property purchases	



Risk Management	40
Update on Chandler V Silwood	
QCAT update: disciplinary proceedings commenced against letting agent	

Regular:

Industry News	3
Social Media Update	8
REIQ Events	22
Zone Event & CPD Calendar	23
Training	24
Zone Focus	38
How to Win Listings	45
Done Deal	46
Supplier Directory	47
New Accredited Agencies	48
Who's Who at the REIQ?	49



The REIQ Journal is proudly produced on paper manufactured under an ISO14001 Environmental Management Program, using fibres from certified forests and audited sources. The REIQ Journal is printed with soy based inks.



SAFEGUARD YOUR COMMISSION FOR LESS THAN \$2

An agreement of more than 90 days renders your Form 6 invalid.*

Get it right every time with the REIQ's 90 Day Ready Reckoner.

*Applies only to residential property sales.



www.reiq.com

REIQ Mission Statement

To remain the State's peak real estate organisation, universally recognised for its leadership of the profession and its relevance to real estate practitioners, governments and the community.

Board

REIQ Chairman
Rob Honeycombe

CEO
Antonia Mercorella

Directors
Linda Bland, Jonathan Blocksidge,
Julie Boyd, Peter Brewer, Mark
Brimble, Anita Brown, Eddie Chung,
Deborah Duffy

Contact us

PO Box 1555 Coorparoo DC Qld 4151
21 Turbo Drive, Coorparoo

T 07 3249 7347
F 07 3249 6211

Advertising

T 07 3249 7374
E journal@reiq.com.au
W reiq.com

Publisher

The REIQ Journal is published by
The Real Estate Institute of
Queensland Ltd
ABN 49 009 661 287

Managing Editor
Felicity Moore
T 07 3249 7300
E editor@reiq.com.au

Deputy Editor
Jordan Tindal
T 07 3249 7374
E journal@reiq.com.au

Graphic Designer
Holly Tape
T 07 3249 7312
E htape@reiq.com.au

REIQ Journal is published 11 times a year.
We publish 3,500 copies each edition with
an estimated readership of 15,000.

Disclaimer

Articles printed and opinions expressed in the REIQ Journal do not necessarily reflect the views of the REIQ. All statements are believed to be true and accurate, but cannot be guaranteed and no liability will be accepted for any error or omission. Information appearing in the REIQ Journal may not be reproduced without the written permission of the Managing Editor.

Advertisements must comply with the relevant provisions of the Competition and Consumer Act 2010 and other relevant legislation. Responsibility for compliance with legislation rests with the person, company or advertising agency submitting the advertisement. Neither the REIQ nor any of its employees accepts responsibility for advertisements.

Advertising in the REIQ Journal does not necessarily reflect the views of the REIQ.

©Copyright REIQ 2016. ISSN: 1442-9683

REIQ prepares to mark a century of shaping Queensland's real estate

Next year the REIQ will celebrate its centenary, marking 100 years of shaping Queensland's real estate profession.

This significant milestone will be honoured with a 12-month calendar of events.

As part of the celebrations, the REIQ Summit will be moved from its traditional date of early October to the first quarter of 2018 and will be one of the signature events to kick off the year of celebrations.

REIQ CEO Antonia Mercorella said the organisation was using 2017 to plan and prepare for the major events of 2018.

"We want to share with our members and the broader real estate

community the achievements and accomplishments that have come over the past century in Queensland real estate," she said.

"There will be no REIQ Summit in 2017 but we are not forgetting our members, who rely on us for important skills and knowledge updates so we are thrilled to announce three stand-alone events dedicated to the property management sector, sales agents, and business owners.

"Our first event will be the "I Love PM" event in March, a conference that will deliver all the latest developments in the property management sector, along with key speakers who will share best-practice tips and advice.

The second event is the "Agency

Growth and Profitability" feature day for business owners. With sessions on planning, KPIs, growth, performance coaching and recruitment, this will be an information-packed day for agency principals,

"We will also host a "Tech Day", which will be an all-encompassing digital and technology event that will share all the latest gadgets, software and technology that has entered the real estate space," she said.

"Having just returned from Inman Connect conference in New York, I know there is an amazing array of technology – software and hardware – that real estate professionals can harness to become better at their jobs.

"These exciting events will keep attendees informed and at the leading edge of their profession," she said.

REIQ shows its love for PMs with I Love PM conference

This year the REIQ is serving its property management community with a dedicated, stand-alone event designed to help all property managers and their associates improve their knowledge and skills within this sector.

The "I Love PM" conference will be held March 17 at QUT's Gardens Point Theatre, and will deliver the latest developments that all good property managers need in order to be outstanding in their roles.

REIQ CEO Antonia Mercorella said the return to the PM-specific event was part of the organisation's commitment to this important group of real estate professionals.

"We know that the property management community loves to learn and we want to help keep them at the forefront of their profession by bringing all of the latest developments to one educational event," she said.

"We have lined up a range of dynamic, exciting keynote speakers who will energise and educate," she said.

"This is going to be one of the best PM-specific events we've ever hosted

and I'm really looking forward to it," she said. "We've got innovative topics that are absolutely fascinating."

"We've kept this event small so every attendee can get up close and personal with our keynote speakers, but unfortunately this means tickets will sell out fast.

"I encourage everyone who's thinking about attending to get onto booking their tickets early so they can be confident they won't miss out."

For more information and to book, visit: https://www.reiq.com/REIQ/Events/Event_Display.aspx?EventKey=E17BNEPMC&WebsiteKey=6dbdddab-8a36-4834-a6c4-649317c105d2

BE FIRST WITH ALL THE REAL ESTATE NEWS

Get the latest data on the market as soon as the REIQ releases it. We issue regular Vacancy Rate Data as well as the quarterly Queensland Market Monitor, featuring median house price data, rental market information and trend analysis.

We share our reports with members first, so don't be the last to know.

How to get the news first

Sign up to our fortnightly email newsletter. Go to REIQ.com and log into your account and manage Preferences.

Follow us on Facebook: www.Facebook.com/theREIQ

Follow us on Twitter: www.Twitter.com/theREIQ



KICK START

The New Year

WITH AN AGENT STARTER PACK!



BUY 2 ITEMS GET
10% OFF

QUOTE DISCOUNT CODE
KICKSTART10

BUY 3 ITEMS GET
20% OFF

QUOTE DISCOUNT CODE
KICKSTART20

From **\$56***
* for 250 plain s/sided business cards

Business Cards

- ▶ Free Photo Enhancement
- ▶ Fast Turnaround
- ▶ Colour Printing Both Sides*
- ▶ Includes Artwork, GST & Delivery

From **\$67** per 1000*
* for 10,000 full colour letterheads

Personalised Letterheads

- ▶ Quality 100gsm Bond Stock
- ▶ Fast Turnaround
- ▶ Printforce Quality
- ▶ Includes Artwork, GST & Delivery

From **85 Cents Each***
* for 2000 DL Notepads

Personalised Notepads

- ▶ 100gsm Bond Stock
- ▶ Fast Turnaround
- ▶ Printforce Quality
- ▶ Full Colour
- ▶ 25 sheets per pad





Communication is a two-way street

A WORD FROM THE CHAIRMAN

How are we doing? Is the REIQ helping you in your business today? Whether you're a property manager, principal, salesperson, administrator, leasing officer, buyer's agent, business broker – is your membership of the Institute helping you in your career?

As we kick off 2017 there's plenty we want to achieve at the REIQ but I've got one key aim for the leadership team this year and it's this: to hear more of what your Institute can do for you.

We can't fix every problem. We won't find all the answers. But as a membership group, the peak body for real estate in this state, we'd like your help to guide us. To ensure we can do even more to improve your work life and our profession.

Do you think we've stuffed up? Got a great idea? Know how we can help improve our industry's professionalism? Tell us. Want something new or something different from our training team, our shop, our conferences or Realworks? An article you want to see in the Journal? Research that would make your job easier? Then please give us your suggestions.

The REIQ board has nine directors around the table and six of us are elected from the membership. Most of my working day is spent listing and selling. I'm at open homes on a Saturday. I worry about my next listing and the seller whose price is too high (just me?!) I'm a principal in



an agency that's got a strong focus on property management (I married an ex-PM who regularly reminds me how important it is to our profession!) so I'm dealing with the same issues every day that you are.

Between our six member directors we have decades of real estate agency experience in this state and a combined 145 years of REIQ membership. We do feel the pain and share the joys of your every day and we got involved because we wanted to make a difference. But we can't be in every corner of every office in Queensland every single day.

The REIQ board and leadership team is committed to listening to your ideas. But this is a two-way deal.

You need to come along to your next zone or chapter event. Read this Journal and open the REIQ emails (they might include info that will earn you money and make your job easier). Then please email or talk to a board member and your zone and chapter reps with your suggestions.

This year will be an exciting one with a stack of changes including more legislative reviews and market movements. Your REIQ will take more steps to make this a career and a profession we can all be proud of.

And we'd love to have more of your help doing that.

#ProudToBeARealEstateProfessional



No broker fee charged on Office Contents Insurance*

Switch your office contents insurance to Aon today and save money with no broker fee and enjoy one of the most comprehensive products in the market*.

We have a range of coverage options, tailored to your needs, including, but not limited to:

- > Business Interruption cover for loss of income
- > Property Damage (*including contents*)
- > Crime and Theft
- > Public and Products Liability

Contact us today!

1800 466 894

au.realestate@aon.com
aon.com.au/reiq

*This offer is open to all new and existing Aon Professional Indemnity clients for a limited time only. This offer does not apply to existing Aon Office Contents customers.

AFF0712 0116

The information contained in this letter is general in nature and should not be relied on as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. So before deciding whether a particular product is right for you, please consider the relevant Product Disclosure Statement or contact us at 1800 805 191 to speak to an adviser. ©2015 Aon Risk Services Australia Pty Limited ABN 17 000 434 720 AFSL No. 241141



The endorsed insurance broker for Professional Indemnity, Office Contents, Landlords Insurance and Cyber Liability.

Approved Insurance broker of the Real Estate Institute of Queensland.

AON
Empower Results®



Heralding 2017, a huge year for the REIQ

A WORD FROM THE CEO

The start of the year is a wonderful time of fresh beginnings, optimistic plans and unbridled enthusiasm. It's a time when our new year's resolutions are still fresh in our minds and our commitment is high.

The REIQ has an ambitious plan for 2017 and an even bigger plan for 2018.

This year the organisation turns 99 years old and we will spend this year planning our centenary year, 2018. If you have any ideas about how we could celebrate this auspicious event, please don't hesitate to let us know. Email your suggestions to the REIQ Events Coordinator Lauren Greene on events@reiq.com.au.

We're also moving into an incredible new facility that will deliver a state-of-the-art environment for the staff, members, students and visitors to the REIQ. Stay tuned to future editions of the Journal for more information about this exciting event.

The REIQ prides itself on representing members throughout the entire state and with this in mind, we have renewed our push to have Queensland's first home owners' grant broadened in regional Queensland to include established homes. (See pages 10 and 11 for more).

Why have we singled out regional Queensland when broadening this grant would benefit first home buyers everywhere?

It is not a decision we took lightly. However, we are acutely aware that regional Queensland towns are doing



it tougher than their sister centres in the southeast corner. Unemployment is higher, wages are lower and houses are expensive. (To read more about the housing affordability issues in regional Queensland compared with Brisbane, turn to pages 30 and 31 for the CoreLogic Housing Affordability Report).

We are urging the State Government to consider additional measures to help those regional towns where affordability is worse and first home

buyers are finding it harder to get into the market.

In addition, the Chairman, Rob Honeycombe, and I will be meeting with the Attorney-General Yvette D'Ath early this year to lobby for mandatory CPD. It is a critical consumer protection issue and will have the benefit of raising education levels and professionalism of the real estate profession.

A mandatory CPD program will ensure all real estate practitioners continue their education throughout the course of their active real estate career.

These are just some of the items on our agenda for the year ahead. I am relishing the opportunity to tackle these huge goals which will build an even stronger, better membership organisation for you and for all real estate professionals.

Happy new year and I wish you similar success with your resolutions!

Best wishes,

Antonia

Social media updates

Get all the news immediately when you follow us on Facebook, Twitter, LinkedIn and Instagram.

Facebook:

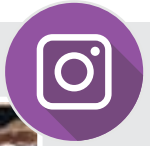


The REIQ: Recent BankWest report confirms what the REIQ has been saying for many years – there is no affordability crisis in Queensland. Report ranks Queensland as the best place for first-home buyers to get their start on the property ladder! [Seven News Report posted]

Greg Reed (First National Real Estate State Director): Thanks REIQ and Mercedes Benz! What a fantastic Drive Day! #thereiq

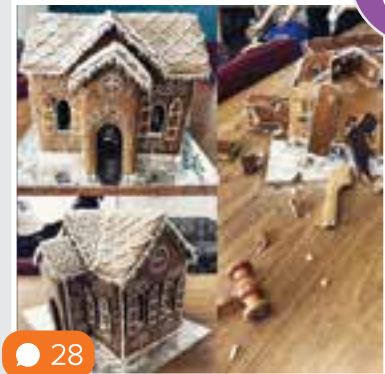
The REIQ: Brisbane's \$3 billion inner-city facelift begins January 1.

Instagram



16

The volume sold at auction for the week ending 18 December was \$55.2 million, compared with the previous week of about \$78.6 million.



28

The volume sold at auction for the week ending 18 December was \$55.2 million, compared with the previous week of about \$78.6 million.



Twitter

January 5: Happy New Year to all! Welcome back to a new year of news from the Real Estate Institute of Queensland! #theREIQ #realestate #qldrealestate

Discover why Australia's best real estate agents have fallen in love with Touchpoints Manager™



Every day more and more successful agents are winning listings with their Touchpoints Manager™ - the CRM technology that offers every function you need to have successful real estate business.

The CRM taking care of business 24/7

Touchpoints Manager™ works for you even when you're out of the office - streamlining the management of sales, listings, customer relationships, contacts and vendor reporting. Even better - you can log in from wherever you are, any time of the day or night.

For your no obligation, free demonstration of the ReNet Touchpoints Manager™ CRM solution call 02 6658 8767 or visit renet.com.au

touchpoints
manager™

Real Estate Software Agents Love

Powered by renet

Support grows to extend First Home Buyer grant to established homes

Another four regional mayors have supported the REIQ's request that the State Government broaden the First Home Owners' Grant in regional Queensland to include established homes.

This brings the number of mayors to 25 who have thrown their support behind the REIQ's urgent request and REIQ CEO Antonia Mercorella said the overwhelming support was a clear indication to the Government that this measure would have a positive impact.

"The mayors of Bundaberg, Banana, Isaac and Charters Towers, have added their voices to the deafening chorus of local government leaders calling on the State Government for desperate help," she said.

"We have received overwhelming bipartisan support for this measure – how often do you see such unilateral support from all corners?" she said.

"The economy in regional and central Queensland has drastically slowed due to the mining downturn and the property market, which is directly tied to jobs, has also slumped," Ms Mercorella said.

Standard & Poor's released its report into mortgage defaults earlier this month and out of the top 10 worst-performing postcodes Queensland was home to seven of them, with three of them in the Mackay region.

"Our regions have been suffering enormously since the mining downturn, with rising vacancy rates and falling median house prices," Ms Mercorella said.

"This measure – expanding the First Home Owners' Grant – would help stimulate real estate sales and give a much-needed boost to the local economies."

"These markets don't need more homes built," Ms Mercorella said. "They need buyers for the oversupply of established homes," she said. "It is within Mr Pitt's power to bring those buyers to the market and help regional Queensland weather this continuing economic downturn," she said.

The REIQ sent its request to Treasurer Curtis Pitt on December 6, 2016 and has not yet received a response.

The mayors of these regional LGAs have supported this move:

1. Cairns Regional Council Mayor Bob Manning
2. Townsville City Council Mayor Jenny Hill
3. Mackay Regional Mayor Greg Williamson

4. Rockhampton Regional Council Mayor Margaret Strelow
5. Gladstone Regional Council Mayor Matt Burnett
6. Bundaberg Regional Council Jack Dempsey
7. Fraser Coast Regional Mayor Chris Loft
8. Livingstone Shire Mayor Bill Ludwig
9. Scenic Rim Regional Council Mayor Greg Christensen
10. Burnett Regional Council Mayor Keith Campbell
11. North Burnett Regional Council Mayor Rachel Chambers
12. Banana Shire Council Mayor Nev Ferrier
13. Isaac Shire Council Mayor Anne Baker
14. Charters Towers Shire Council Mayor Liz Schmidt
15. Cassowary Coast Regional Council
16. Cook Shire Council Mayor Peter Scott
17. Croydon Shire Council Mayor Trevor Pickering
18. Douglas Shire Council Mayor Julia Leu
19. Etheridge Shire Council Mayor Warren Devlin
20. Hinchinbrook Shire Council Mayor Ramon Jayo
21. Hope Vale Aboriginal Shire Council Mayor Greg McLean
22. Mareeba Shire Council Mayor Tom Gilmore
23. Tablelands Regional Council Joe Paronella
24. Wujal Wujal Aboriginal Shire Council Mayor Desmond Tayley
25. Yarrabah Aboriginal Shire Council Mayor Ross Andrews



New year, new deal: REA in India

REA started 2017 with a bang, announcing a \$68 million (\$US50 million) investment in a joint venture between PropTiger.com and Housing.com, two of India's leading online real estate service providers, to create the only player in India offering the full range of online and offline services in the real estate space.

By 2030, India is expected to be the third largest real estate market in the world with the sector contributing more than 15% of national GDP.

News Corp is the largest shareholder

of PropTiger and also owns 61.6% of REA Group.

REA Group CEO Tracy Fellows said: "India is an important part of our international growth strategy.

"REA invests in companies that are leaders in their markets. The joint entity will have access to REA Group's expertise and know-how from its operations across the globe."

News Corp Chief Executive Robert Thomson said: "With 1.2 billion people and a rapidly growing economy and middle class, India's future as a real estate powerhouse is exceptionally bright, and we're proud to be a part of this expanding sector."

PropTiger is the largest online residential real estate brokerage firm, having completed transactions worth

\$1.5 billion since its founding in 2011, while Housing.com is India's most popular online platform for buying and selling homes, receiving over four million visits every month.

The joint entity will be the only operator offering online and offline services, such as personalised search, virtual viewing, site visits, legal and financial diligence, negotiations, property registration, home loans and post-sales service.

The union will immediately strengthen PropTiger's full stack Online-to-Offline (O2O) services proposition.

In April 2015, PropTiger acquired online classifieds platform Makaan.com to launch India's first O2O platform, helping consumers through their home buying journey, from initial search and discovery to the final step of transaction closure.

Your life your fund



Paul McDonald, REI Super participating employer

Super without the headaches

We will help you escape the burden of super administration.

REI Super can help streamline your compliance obligations with:

- a dedicated team to give you personalised support and specialised assistance
- a fully compliant clearing house to make super payments fast and simple
- over 40 years of real estate industry experience.

Make REI Super your default fund today. Visit www.reisuper.com.au/employers or call 1300 13 44 33



The information provided does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super advises that it has not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Members should obtain and read the Product Disclosure Statement for REI Super before making any decisions. REI Superannuation Fund Pty Ltd ABN 68 056 044 770, AFSL 240569, RSE L 0000314, REI Super ABN 76 641 658 449, RSE R1000412 MySuper unique identifier 76641658449129. December 2016. REIS 51242



REIQ launches motivational event, the Sales Success Series

Be motivated, be more resilient and have fun with some of the best in the real estate business at the new REIQ Sales Success Series of events.

The Sales Success Series, hosted by entertaining real estate speaker and trainer Peter Brewer, will inspire you and help you master some of the skills required to succeed in sales.

Launching the series on February 22 at Factory 51, keynote speaker Kelly Maniatis, who recently spoke at the REIQ Summit 2016, will deliver her top tips for building resilience in yourself or your sales team.

Ms Maniatis is a qualified organisational psychologist and is an expert at helping sales professionals get in the right head space for career success. Get better at handling the

rejection that comes with a career in sales. Learn how to turn rejection into a force for good.

Expert real estate professionals Justin Nickerson (Apollo Auctions and REIQ Mentor), Brett Greensill (insert quals) and Anne Fidler (REIQ Salesperson of the Year, Belle Property) will share the secrets of their own winning career strategies.

REIQ CEO Antonia Mercorella said the Sales Success Series was designed to help agents get more leads and close the deal.

“Real estate is a great job, but sometimes the day to day grind of cold calling and door knocking can be dispiriting. Presenting and pitching for business is crucial in this game and if you’re looking for tips on how to improve, then the Sales Success Series can help.

“We are offering agents the opportunity to get over that hurdle

and become tougher, stronger and better at what they do,” she said.

The event will include networking drinks and canapes, kicking off at 6.30pm at Factory 51, Coorparoo.

REIQ Sales Success Series 2017: February 22, April 12, June 28 in Brisbane. Cost: \$45 members, \$55 non-members. To book contact Jill McGuire. E: jmcguire@reiq.com.au or T: 07 3249 7373.



DocuSign for  Realworks

COMING SOON!

Save time – documents signed anywhere, anytime.



Contracts signed remotely



Paperless



Fast



Trusted



Compliant

Try it at Realworks.com.au | REIQ Accredited Agencies save \$\$



REIQ introduces mentor programs

Imagine if you could tap into the knowledge and the expertise of a leader in your field, asking them for career help and guidance and being supported as they commit themselves to helping you reach your earning potential faster.

The REIQ knows how important a good mentor can be and that's why we've partnered with multiple award-winning auctioneer, Justin Nickerson, to create a mentorship program offers its students a valuable career boost.

REIQ CEO Antonia Mercorella said one of the key reasons behind the 12-month mentor program was because the Institute had a role to play in helping lift the skill level and professionalism of all real estate agents.

"It can be hard to find someone who has achieved professional success and who is also willing to share their skills and their knowledge with you.

"The Institute has an important role to play here in identifying those leading lights and providing access so that the next generation can benefit.

"At a fundamental level, that's why we developed this program," she said. "We want industry best-practice to be taught and shared and we know that this program, delivered and developed with Justin, will do that."

Mr Nickerson was crowned the best of the best in Australia and New Zealand when he won the REIA Australasian Auctioneer of the Year 2016. He has won the REIQ Auctioneer of the Year in 2017, 2016, 2013, and he won the Barfoot and Thompson NZ Auction Invitational in 2015. He was part of the winning Queensland State of Origin Auction team in 2015 and represented Queensland again in 2016.



"Justin is a highly skilled, very knowledgeable and experienced real estate professional," Ms Mercorella said.

"His success is without peer and we are thrilled to partner with him in this program."

Mr Nickerson said he was motivated to repay the support and guidance he had received from mentors when he was young.

"I know that Queensland's auctioneers are a strong fraternity and the broader community of real estate professionals makes a point of looking after each other.

"I had help and support from many of this community's most distinguished

agents and auctioneers when I was a rookie and now that I've achieved some success I want to share the things I've learned with others," he said.

The REIQ Apollo Mentor Program is a 12-month coaching program that delivers monthly one-on-one coaching sessions and quarterly group training events, featuring industry leading speakers.

The REIQ Apollo Mentor Program is the latest in a suite of enhanced training offerings from the REIQ, including the recent launch of its new training website, MyRealEstateJobs.com.au and a soon-to-be-announced property management mentor program.



The Ultimate
Driving Machine

0% P.A. COMPARISON RATE FINANCE.*

ZERO DEPOSIT. ZERO EXCUSES. AT MOTORLINE BMW.



Start your new year in style at the BMW Summer Sales Festival at Motorline BMW. From now until the end of February, receive 0% P.A. Comparison Rate finance* with zero deposit across the BMW range.

And as an REIQ member you and your spouse are eligible to enjoy the exclusive rewards of BMW Advantage[^] with the purchase of a new BMW, including:

- Complimentary BMW Service Inclusive for 4 years/60,000kms
- Corporate pricing
- Reduced dealer delivery charges
- Reduced rate on a BMW Driving Experience course

To find out how you can start a rewarding journey with BMW, contact Motorline BMW today.

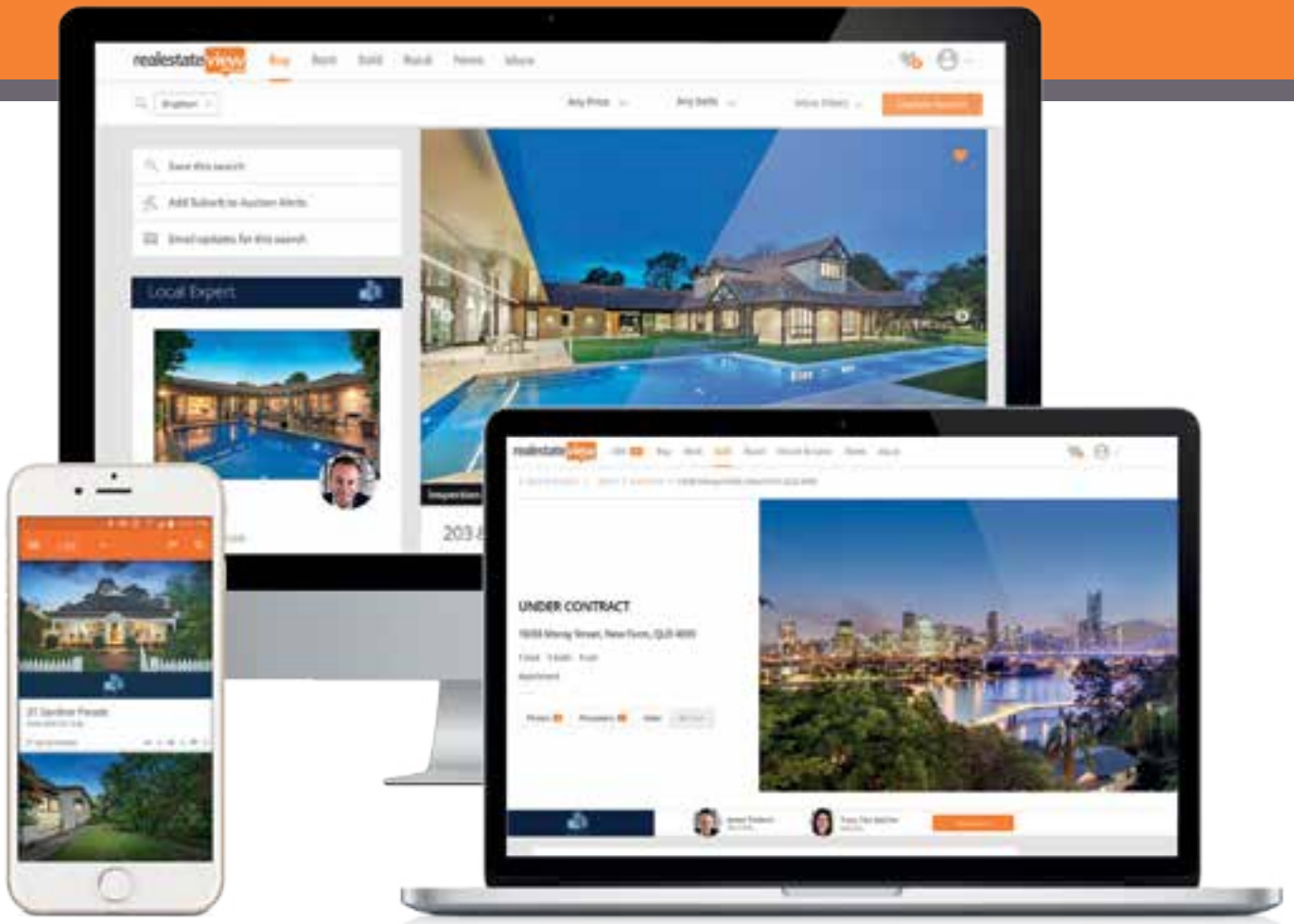
Motorline BMW 1-11 Old Chatswood Road, Daisy Hill - Opposite IKEA Logan M1 Motorway Exit 23 (South), Exit 24 (North)
Tel: 3290 7000 info@motorline.com.au www.motorline.bmw.com.au

*Excludes BMW M2 and M4 GTS models. Cannot combine with other offers. From BMW Financial Services (BMW Australia Finance Ltd, Australian credit licence 392387) on new BMW vehicles delivered by 28.2.2017. Interest rate 0% pa, maximum term 36 months, maximum residual payment 45% of Manufacturers Recommended Retail Price (RRP). Amount financed cannot exceed RRP. Fleet, government & rental buyers excluded. Fees, charges, terms, condition & lending criteria applies. Offer does not consider personal circumstances, independent legal/financial advice recommended. Comparison rate based on monthly repayment for a 5 year secured consumer loan of \$30,000. WARNING: Comparison rate is true for the example given. Different terms, fees or loan amounts might result in a different comparison rate. [^]Benefits apply to the purchase of a new BMW vehicle and only to the vehicle purchased. Subject to eligibility. Terms, conditions, exclusions and other limitations apply, and can be viewed at bmw.com.au/advantage.

realestate



MAKES PROPERTIES LOOK BETTER



BETTER EXPERIENCE

Industry leading user-experience for property searches



SELL FASTER

Less clutter, bigger property images and more focus on the agent



PROMOTE BETTER

Innovative advertising to help position your agency as THE local expert

With over 1 million visits per month
you can reach a new and unique audience with realestateVIEW.com.au

REIQ launches training website: MyRealEstateJobs.com.au

The Real Estate Institute of Queensland has launched a new real estate training website, timed to coincide when people are most likely considering a new career.

The site, MyRealEstateJobs.com.au offers advice and a wealth of information about the broad range of careers that a real estate qualification can deliver and also outlines the courses available through the state's leading real estate training provider, the REIQ.

REIQ CEO Antonia Mercorella said with the dawn of a new year, people often reviewed their options.

"After the last of the Christmas lunch is packed away, people often start to think about returning to work and this is when they wonder if there might be a better career.

"Our new site, MyRealEstateJobs.com.au offers detailed information about all the jobs you can choose from when you have real estate qualifications.

"A real estate career isn't limited to being a sales agent or a property manager. You can be an auctioneer, a buyer's agent, a business broker, or an administrator, and you can also be your own boss if you choose to establish your own business," she said.

The website showcases real life experiences from leading real estate professionals, including Ray White auctioneers Haesley Cush and Phil Parker, Place sales agent Cathy Richards, Re/Max property manager Katie Knight, and Harcourts principal Dane Atherton.

The website also offers prospective students the opportunity to attend a free session delivered by an

experienced real estate professional, who will share the realities of a career in real estate.

"Our free Introduction To Real Estate sessions are always very popular because they give those who are thinking about a career change an understanding of what real estate is really like – the good bits and the challenges!" Ms Mercorella said.

To promote the new site, the REIQ launched a marketing campaign which began on Boxing Day.

The REIQ is the peak body for real estate profession and the leading provider of real estate training in Queensland, delivering a broad range of study options to anyone considering a career change. Courses can be done online and are self-paced, or there are classroom options available for those who like more support and guidance.

SALES SUCCESS SERIES 2017

A series of evening events for real estate sales professionals, including networking drinks, canapes and guest speakers who are leaders in their field.

BRISBANE

22 February
6.30pm - 8.00pm

12 April
6.30pm - 8.00pm

28 June
6.30pm - 8.00pm

\$45 members inc GST |
\$55 non-members inc GST
each event

22 FEBRUARY Sales Success Series session features:

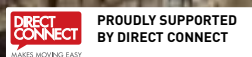
THE DRIVING FORCE BEHIND TOP AGENTS: Resilience and Motivation Featuring Kelly Maniatis - Founder and Owner of Left Field Co.

A qualified Organisational Psychologist and 2016 REIQ Summit speaker with rave reviews, Kelly will share 3 ways to build motivation and resilience for today's real estate sales professional.

This session also features a panel of top agents sharing their experience, hosted by Peter Brewer



For more information:
P. 3249 7373
E. jmcguire@reiq.com.au



Rental markets tighten throughout most of Queensland

WORDS BY FELICITY MOORE, REIQ MEDIA AND COMMUNICATIONS MANAGER

Queensland's rental market improved over the December quarter with many markets behaving as forecast, returning to more traditional vacancy rates after an unusual September quarter result.

REIQ CEO Antonia Mercorella said, generally speaking, the year ended on a steady note.

"The data has shown that supply and demand in the rental market is fairly evenly matched in the southeast corner.

"The vacancy rate in inner Brisbane has fallen to 3.6 per cent, which is very close to the healthy range and this is good news for both landlords and tenants.

"When vacancy rates are within the healthy range it means landlords can secure tenants comfortably and it also means tenants have the opportunity to secure appropriate and suitable rental accommodation," she said.

With the exception of the September 2016 quarter, Brisbane City has remained within the healthy range (2.5% - 3.5%) since December 2013, indicating the rental market is steady and well-balanced between supply and demand.

Greater Brisbane's vacancy rates have held steady in the healthy range for five quarters, falling to 3 per cent this quarter.

The Logan rental market weakened over the December quarter, reaching a vacancy rate of 3.3 per cent, which is still within the healthy range.

Tourism Centres

- After 13 quarters operating in the tight range, the Gold Coast rental market operated within the healthy range for the December quarter, reaching a vacancy rate of 2.5 per cent.
- Maroochy Coast was the tightest rental market in Queensland with a vacancy rate of 1.1 per cent

for December.

- Noosa vacancy rates remained relatively steady with vacancy rates of 1.4 per cent. This market has operated in the tight range for the past four years (since September 2012).
- Rentals of medium to high density living in Noosa follow a cyclical performance with a market peak during the summer and holidays period. Vacancy rates of units in Noosa reduced from 3.2 per cent in June to 1.4 per cent in December.
- The Cairns rental market remains generally healthy with vacancy rates at 2.4 per cent for December.
- Fraser Coast has experienced some volatility over the past eight years, however, it continues to operate in the healthy range, rising to 3.3 per cent in the December quarter.
- Maryborough rental market recorded the largest increase in vacancy rates over the quarter of 3.2 per cent, reaching vacancy rates of 5.6 per cent, primarily due to new housing construction in the region.

Regional Centres

- Toowoomba vacancy rate increased from 2.3 per cent for September to 2.8 per cent for December. This market has operated within the tight and healthy range since the REIQ began reporting vacancy rates in 2008.
- With the exception of Toowoomba, Gympie, Scenic Rim, Southern Downs and Tablelands, the rental markets in regional centres are weak with consistent low demand.
- Southern Downs recorded the largest

vacancy rate fall, dropping 2.2 per cent, from 5.3 per cent in September to 3.1 per cent in December.

- Vacancy rates in Bundaberg, Rockhampton and Townsville improved between 0.3 per cent and 0.7 per cent, but these markets are still weak.
- Banana recorded the highest vacancy rate in the State of 15.2 per cent in the December quarter.

Ms Mercorella said signs were good that 2017 would bring improving conditions to regional Queensland.

"The State Government is focusing its jobs-creation programs on centres such as Gladstone, Rockhampton, Mackay and Townsville.

"Also, it is well-known that jobs and rental markets go hand-in-hand. When workers are made redundant they are often forced to leave town to search for work elsewhere and we are seeing many move to southeast Queensland.

"But the low Australian dollar will bring visitors to our tourism centres such as Cairns and Mackay and hopefully the rising coking coal price will benefit the mining centres such as Gladstone, Rockhampton, and Townsville, as well as western Queensland mining towns," she said.

"A boost to employment figures will benefit the state's housing market enormously. We have seen this at the Sunshine Coast, where the unemployment rate of 4.7 per cent (for September) sits well below state and national levels and it's no coincidence that the vacancy rates on the Sunshine Coast are the lowest in Queensland," she said.

2016 Vacancy Rates

LGA	MAR-16	JUN-16	SEP-16	DEC-16	
Greater Brisbane	Brisbane SD	2.6%	2.5%	3.3%	3.0%
	Brisbane City	3.0%	2.8%	4.1%	3.4%
	Inner (0-5km)	3.3%	3.4%	3.7%	3.6%
	Middle (5-20km)	2.5%	2.3%	4.5%	3.3%
	Brisbane Surrounds	2.0%	2.0%	2.2%	2.4%
	Ipswich City	1.8%	1.1%	2.1%	2.4%
	Logan City	2.1%	2.8%	2.0%	3.3%
	Moreton Bay	2.2%	1.7%	2.2%	1.8%
	Caboolture	1.6%	1.9%	2.5%	2.2%
	Pine Rivers	3.3%	1.8%	1.7%	1.6%
	Redcliffe	2.4%	1.4%	2.4%	1.6%
	Redland City	1.7%	2.3%	2.2%	2.7%
	Mainland	1.7%	2.2%	2.4%	2.7%
	Bay Islands	2.1%	3.8%	1.5%	2.4%
Tourism Centres	Gold Coast City	1.5%	1.4%	1.7%	2.5%
	Sunshine Coast SD	1.5%	1.4%	1.5%	1.4%
	Sunshine Coast	1.5%	1.2%	1.6%	1.4%
	Caloundra Coast	1.2%	1.0%	1.2%	2.0%
	Maroochy Coast	1.8%	1.0%	1.6%	1.1%
	Hinterland	0.9%	1.6%	1.9%	1.5%
	Noosa	1.4%	2.4%	1.2%	1.4%
	Fraser Coast	3.2%	4.1%	2.9%	3.3%
	Hervey Bay	3.1%	4.4%	3.1%	2.3%
	Maryborough	3.2%	3.0%	2.4%	5.6%
	Cairns	2.1%	1.9%	2.5%	2.4%
Regional Areas	Bundaberg	5.2%	6.3%	4.5%	3.8%
	Gladstone	11.3%	10.2%	8.9%	9.9%
	Mackay	8.1%	7.7%	6.9%	7.9%
	Rockhampton	6.9%	6.5%	4.6%	4.3%
	Toowoomba	3.0%	2.3%	2.3%	2.8%
	Townsville	6.0%	5.7%	7.1%	6.4%
Other Regional Areas	Banana	N/A	N/A	N/A	15.1%
	Burdekin	N/A	7.8%	9.6%	10.2%
	Central Highlands	N/A	N/A	N/A	10.0%
	Gympie	N/A	N/A	3.7%	2.1%
	Livingstone	N/A	12.3%	8.3%	10.1%
	Scenic Rim	N/A	2.0%	N/A	2.6%
	Southern Downs	3.1%	3.1%	5.3%	3.1%
	Tablelands	N/A	2.8%	N/A	2.9%
	Whitsunday	10.0%	6.0%	5.8%	5.8%



2017 REIQ Awards for Excellence

Congratulations to our 2017 REIQ Award Finalists!

Thank you to everyone who submitted a nomination for the 2017 REIQ Awards for Excellence. This year saw exceptionally strong contenders in all categories.

Auctioneer of the Year

- Jason Andrew, Jason Andrew Auctioneers
- Justin Nickerson, Apollo Auctions
- Matthew Condon, Apollo Auctions
- Phill Broom, Jason Andrew Auctioneers

Business Broker of the Year

- Adrian Coyne, Sell Your Business ASAP
- Iain Horne, Benchmark Business Sales & Valuations
- Matthew Hartley, Benchmark Business Sales & Valuations
- Michelle Wright, Connect Business Brokers

Business Development Manager of the Year

- Jessica King, MPM Property
- Kellie Drinnan, Laguna Real Estate Noosa Heads
- Leanne Kerr, Century 21 on Duporth
- Lisa Perruzza, Place Estate Agents Bulimba
- Nathaniel Smith, Bees Nees City Realty

Buyers' Agency of the Year

- Gold Coast Property Advisors
- Property Pursuit
- Propertyology

Buyers' Agent of the Year

- Bryan Loughnan, Propertyology
- Karen Young, Property Zest Pty Ltd
- Nathan Wunsch, Property Pursuit
- Stephen McGee, National Property Buyers
- Tony Coughran, Gold Coast Property Advisors

Commercial Agency of the Year

- CBRE Brisbane
- Colliers International Brisbane

Commercial Property Manager of the Year

- Angie Morgan, CBRE
- Daniel Shafferman, Colliers International Brisbane
- Stephanie Johnson, Realway Property Consultants Caloundra

Commercial Salesperson of the Year

- Jason Lynch, Colliers International Brisbane
- Michael Hedger, CBRE
- Robert Dunne, Savills

Community Service Award

- Colliers International Brisbane
- Harcourts Solutions
- John Henderson Real Estate Professionals
- Laguna Real Estate
- The Ray White Surfers Paradise Group

Corporate Support Person of the Year

- Amy Wolter, Place Estate Agents
- Emily Lang, Laguna Real Estate Gympie
- Emily-Jane Megraw, LJ Hooker Nerang
- Rebecca Sully, Colliers International Brisbane
- Sarah Done, Amber Werchon Property
- Tara Kelly, Place Ascot

Large Residential Agency of the Year

- Amber Werchon Property
- Calibre Real Estate
- Harcourts Solutions
- Laguna Real Estate
- Place Estate Agents (Place Group Pty Ltd)
- The Ray White Surfers Paradise Group
- Dowling & Neylan Real Estate
- RE/MAX Regency
- Century 21 on Duporth

Medium Residential Agency of the Year

- Bees Nees Realty
- Denovans Real Estate
- M-MOTION Real Estate
- RealWay Property Consultants Caloundra

Regional Residential Agency of the Year

- ONE Agency Damian Raxach
- Property Shop Cairns

Regional Salesperson of the Year

- Damian Raxach, ONE Agency Damian Raxach
- Rawdon Briggs, Colliers International Brisbane

Residential Property Manager of the Year

- Angie Johnson, First National Real Estate Mooloolaba
- Cushla Symons, RE/MAX Regency
- Cyndi Ward, RE/MAX Gold
- Kath Madgwick, Amber Werchon Property
- Katie Knight, RE/MAX Success
- Kellie Drinnan, Laguna Real Estate Noosa Heads
- Lauren Robinson, Rental Results
- Rachael Byrne, Jean Brown Properties
- Samantha Rowland, Place Aspley

Residential Salesperson of the Year

- Anne Fidler, Belle Property Paddington
- Brett Andreassen, Doug Disher Real Estate
- Damien Keyes, Keyes & Co
- Damien Said, Century 21 On Duporth
- Jack Dixon, Dixon Family Estate Agents
- Justin Hagen, Calibre Real Estate
- Mark McGill, Amber Werchon Property
- Nyree Ewings, LJ Hooker Cleveland
- Rebecca Herbst, Bees Nees City Realty
- Tristan Rowland, Place Aspley

Rookie of the Year

- Eoghan Murphy, M-MOTION Real Estate
- Hayley Jane, Place New Farm
- Jade Hale, Professionals Redlands Real Estate
- Nicole Morgan, MPM Property
- Thomas Bassingthwaighe, Dixon Family Estate Agents
- Tristan Brown, Amber Werchon Property
- Warren Hickey, Ray White Hope Island

Small Residential Agency of the Year

- Aluka Property
- Bridgebury Real Estate
- Brookwater Realty
- Dixon Family Estate Agents
- Keyes & Co Property
- Place Aspley
- Ray White MetroWest Brisbane
- Wythes Real Estate
- Xperience Realty

Best Media Report

- Aleisha Pidgeon, Gold Coast Bulletin
- Anna Rawlings, Win New Cairns
- Nicola McDougall, Freelance
- Rosanne Barret, The Australian

2017 Winners!

See next month's edition of the REIQ Journal for the fun and glamour of the REIQ Awards for Excellence in an extended photo spread!



Auctioneer of the Year

Justin Nickerson, Apollo Auctions



Corporate Support Person of the Year

Rebecca Sully, Colliers International Brisbane



Business Broker of the Year

Matthew Hartley, Benchmark Business Sales & Valuations



Large Residential Agency of the Year

Amber Werchon Property



Business Development Manager of the Year

Lisa Perruzza, Place Estate Agents Bulimba



Medium Residential Agency of the Year

Denovans Real Estate



Buyers' Agency of the Year

Property Pursuit



Regional Residential Agency of the Year

Property Shop Cairns



Buyers' Agent of the Year

Tony Coughran, Gold Coast Property Advisors



Regional Salesperson of the Year

Damian Raxach, ONE Agency
Damian Raxach



Commercial Agency of the Year

Colliers International Brisbane



Residential Property Manager of the Year

Rachael Byrne, Jean Brown Properties



Commercial Property Manager of the Year

Angie Morgan, CBRE



Residential Salesperson of the Year

Anne Fidler, Belle Property Paddington



Commercial Salesperson of the Year

Robert Dunne, Savills



Rookie of the Year

Eoghan Murphy, M-MOTION Real Estate



Community Service Award

Laguna Real Estate



Small Residential Agency of the Year

Dixon Family Estate Agents



Best Media Report

Nicola McDougall, Freelance



REIQ Awards for Excellence Behind the scenes – one judge shares his insights into the toughest job of the year

WORDS BY JOHN MCSPEDDEN, REIQ AREA MANAGER

It was an honour and a rare privilege to be invited to judge entrants in the REIQ Awards for Excellence 2017 and it gave me an insight into the depth of talent we have here in Queensland – and it is truly impressive.

This year, for the first time, the REIQ adopted an online platform which I believe has been very favourably received by the entrants. It has given them additional flexibility to start and pause their submission process before returning and hitting 'send' on the final entry. It has also removed the uncertainty of delivery times via Australia Post.

The judging process is fairly secretive, so much so at times I felt that if I looked sideways at anyone ASIO might come knocking on my door! It is also very well organised by the REIQ Events Commander in Chief, Lauren Greene.

Reading the online nominations and commenting on those was in itself a hefty time price to pay, but one that I was willing to make. It was something that all the judges believe is so very

important to get right. Once the written submissions were judged, the job was only half done.

Then it was time for the individual interviews with the finalists. A time locked away behind closed doors at REIQ House with the other judges and the interviewees. Judges seated on one side of the table and finalists on the other.

How hard that must have been for the finalist in many cases!

It was hard enough being a judge, asking questions and listening to these truly amazing real estate professionals talk about their successes, goals and aspirations.

After the interviews, the debate between the judges was very, very difficult. The judges were determined to get it right, but that meant talking it through

extensively, looking at each candidate's submission from every angle and reminding ourselves we were choosing the standard bearer of our profession.

I did not sleep for two nights. I tossed and turned wondering if we did get it right. The candidates were so impressive, the bar set so high, and the task of deciding between such high-calibre professionals was incredibly difficult.

After nearly two sleepless nights, I eventually moved on, knowing that we did get it right in every case. Unanimous agreement was achieved and I feel honoured to be part of such a great event and organisation.

Anyone who may suggest that these awards are politically skewed, favoured in a particular direction or somehow or other not correct...call me.

SUBSCRIBE TO THE HARD COPY OF THE REIQ JOURNAL.

Tip #27 for agency principals – leave a copy of the Journal in the lunch room. Team members taking a quick break can read the magazine and further their real estate knowledge!



Why CPD? Five reasons why CPD is good for business

WORDS BY FELICITY MOORE, REIQ MEDIA AND COMMUNICATIONS MANAGER

The REIQ is committed to the introduction of compulsory continuing professional development (CPD) for all real estate professionals working in Queensland.

Last month, REIQ CEO Antonia Mercorella and Chairman Rob Honeycombe met with Attorney-General Yvette D'Ath to press for a timeline on introducing compulsory CPD state-wide. Those talks were productive and we are making progress, with a firm announcement to be made soon.

Compulsory CPD benefits the real estate profession by improving profitability, credibility and standing, but it also benefits your clients - consumers.

When a real estate agent gains their qualification and attains their certificate from the Office of Fair Trading there is no further requirement to maintain their education.

A real estate practitioner can get their licence in 1958 and practice for 50 years without once stepping into a classroom or sitting down to update their skills or knowledge.

Here are five compelling reasons why compulsory CPD is important. And while you're reading this, think about your own CPD compliance – have you planned your own professional development for this year?

1. CPD equals business success

At the REIQ, we see those agencies where the leadership team places a premium on CPD and it's no coincidence that those are high-performing businesses with low staff churn.

In 2015 the Institute of Practitioners in Advertising, a UK membership organisation celebrating its centenary in 2018 (sound familiar?), conducted an extensive study into benefits of CPD on business success.

The IPA found a direct correlation between investment in CPD training and an agency's profitability.

"Agencies that invest less in CPD and external training deliver lower levels of income growth, particularly in the middle tier," the report stated.

"Irrespective of income group, the more agencies invested in CPD hours, the faster they are likely to grow.

"And median growth of agencies who invest most heavily in IPA training is 26%, versus 14% for all agencies," the report said.

2. CPD attracts talent

In the highly competitive real estate profession, savvy principals can attract the best and brightest with a proven record of investing in talent. Don't introduce a half-measure CPD program, sending staff to the quickest, cheapest programs. Genuinely help them grow, taking into consideration any requests they have for training programs.

Happy staff who feel valued and who see they are worthy of investment are less likely to leave. And the best bit is that CPD courses are free for REIQ Individual Members!

3. Consumer protection

Real estate agents help people buy and sell their largest asset, and with so much at stake, that person must be well educated, highly proficient in real estate best practice and understand changes to laws and legislation in order to minimise the risk for the consumer.

A highly skilled real estate professional will understand where common pitfalls and risks lie in the process and be constantly updating

their skills to help their clients avoid exposure to these risks.

Consumers need to be able to trust that the real estate professional they have engaged can be relied upon to behave in a professional and ethical manner. Constant exposure to education can help deliver that trustworthiness.

4. Professional standards and reputation

Every year surveys such as the Roy Morgan Research panel reveal the public's attitude towards all professions and real estate agents are routinely ranked near the bottom with journalists, politicians and used car salesmen.

By creating professional standards that requires ongoing educational commitment from practitioners we will move our profession closer to other white-collar professions that similarly require ongoing education, such as accountants and lawyers.

5. Bring Queensland into line with other states

New South Wales, Victoria and South Australia already require real estate professionals to maintain ongoing professional development.

To avoid being seen as behind the times, we need to embrace CPD, understand its importance and ensure we comply with our CPD requirements.

Don't see a topic in our CPD calendar that meets your needs? Tell us! We are constantly working to improve our CPD offering for members and topic suggestions are welcome. Please send them to Judy Morrison on cpd@reiq.com.au or pick up the phone and call 1300 MYREIQ.



REIQ and Mini Cooper drive day of fun

The REIQ and Gold Coast Mini Garage joined to host a Drive and Dine Day through the spectacular and scenic Gold Coast Hinterland.

Invited guests and daredevil members of the REIQ gathered for a driver briefing at the Gold Coast Mini Garage in Southport before heading off for a two-hour drive through the breathtaking lush terrain.

The group paused for a sumptuous lunch at the Long Road Bistro on Tamborine Mountain before returning to the Gold Coast.

Invited guests included Kellie Cross (ParkTrent Property Group), Scott Johnson (Blink Property Queensland), Kylie Davenport (LJ Hooker Broadwater), Ronnie Jackson (Harcourts Broadbeach Mermaid Waters), Wesley Venz (Venz Management Rights Specialists), Oresti Astras (Astras Prestige Property), Jessica Taylor (@Realty), Clint Hynes (Ray White Oxenford), Linda Stanton (Linda Stanton Realty), Emily-Jane Megraw (LJ Hooker Nerang), Dot Hamilton (FN Palm Beach), Anthony Steinberg (Raine & Horne), Matthew Mariconte (Champions Property), Julian Porter (Raine & Horne), Will Dutton (EasyBondPay), Joanna Boyd (Aon), Karen Woodworth (REIQ), John McSpedden (REIQ).





February Zone Event and CPD Dates

CPD Subject: Key Compliance concepts for PMs! plus an update from Smoke Alarm Solutions

Date	Zone	Breakfast/Lunch	CPD	Venue
1 March	Cairns	12.00 – 1.30	2.00 – 3.30	Cairns Convention Centre
2 March	Townsville	12.00 – 1.30	2.00 – 3.30	Rydges Hotel Townsville
9 March	Caboolture/Redcliffe	7.30 – 9.00	9.30 – 11.00	North Lakes Golf Club
15 March	Gold Coast	7.30 – 9.00	9.30 – 11.00	Southport Sharks
16 March	Western	7.30 – 9.00	9.30 – 11.00	McLeod Golf Club
22 March	Northern	7.30 – 9.00	9.30 – 11.00	Kedron Wavell Services Club
23 March	Sunshine Coast	7.30 – 9.00	9.30 – 11.00	Maroochy Surf Club
29 March	Southern	7.30 – 9.00	9.30 – 11.00	The Glen Hotel
30 March	Ipswich	7.30 – 9.00	9.30 – 11.00	Brookwater Golf Club

SPECIALISED COURSES

JANUARY - JUNE 2017

View our great and extensive range of specialised courses!

BUSINESS OWNERSHIP SERIES

- BOS 1
Creating Cultural Change in your Organisation
- BOS 2
Structuring Your Business for Growth and Profitability
- BOS 3
Buying and selling a rent roll
- BOS 4
Team Goal Setting, KPI's, KPT's and Measurement Tools for Success

AGENCY MANAGEMENT AND ADMINISTRATION

- Agency Growth and Profitability: Business Owner Feature Day
- Professional Corporate Support: Agency Administrator Feature Day
- Starting an Agency

COMMERCIAL

- Commercial Sales Series
- Commercial Property Management Series

PROPERTY MANAGEMENT

- Conference:
I Love Property Management
- QCAT Know How for Residential Property Management
- Managing Community Titled Properties and dealing with the Body Corporate
- Property Management Documentation and Legislation Refresher
- Property Management Breakfasts
- Property Management Platinum Series
- Job Ready Property Management
- Property Management Online Library
- Property Management Elite Entrant Program

TECHNOLOGY AND DIGITAL MEDIA

- Digital Media Marketing Masterclass
- Website Woe or Website Wow?

SALES AND AUCTION

- Sales and Auction Mentoring
- 4 Steps to Effective Sales – The Psychology of the Sales Process
- Building Better Relationships through Client Communication and Authenticity
- Selling Lots in a Community Title Scheme
- Selling Investment Property
- Defending your fee and how to effectively compete with discount commission agents
- Sales Success Series 2017
- How to Earn More Money by Prospecting Less – Take your Business to the Next Level in 6 Easy Steps
- Sales and Auction Documentation and Legislation Refresher
- How to Write Attention Grabbing, Highly Effective Ad Copy that Sells
- Scripts and Dialogues for Building a Robust Prospecting Pipeline
- Job Ready Sales

To view the full Specialised Course Calendar or to enroll, visit REIQ.com.

Registration and Licensing Courses
February - March 2017

**FAST 2 DAY
REGISTRATION TUTORIAL**

BRISBANE

8 - 9 Feb	9.00am - 4.30pm
20 - 21 Feb	9.00am - 4.30pm
8 - 9 Mar	9.00am - 4.30pm
22 - 23 Mar	9.00am - 4.30pm
27 - 28 Mar	9.00am - 4.30pm

GOLD COAST

16 - 17 Feb	9.00am - 4.30pm
27 - 28 Feb	9.00am - 4.30pm
14 - 15 Mar	9.00am - 4.30pm
27 - 28 Mar	9.00am - 4.30pm

SUNSHINE COAST

20 - 21 Feb	9.00am - 4.30pm
20 - 21 Mar	9.00am - 4.30pm

TOOWOOMBA

13 - 14 Mar	9.00am - 4.30pm
-------------	-----------------

CAIRNS

23 - 24 Feb	9.00am - 4.30pm
-------------	-----------------

TOWNSVILLE

16 - 17 Mar	9.00am - 4.30pm
-------------	-----------------

ROCKHAMPTON

27 - 28 Feb	9.00am - 4.30pm
-------------	-----------------

MACKAY

30 - 31 Mar	9.00am - 4.30pm
-------------	-----------------

**COMPREHENSIVE 4 DAY
REGISTRATION CLASS**

BRISBANE

14 - 17 Feb	9.00am - 4.30pm
28 Feb - 3 Mar	9.00am - 4.30pm
14 - 17 Mar	9.00am - 4.30pm
28 - 31 Mar	9.00am - 4.30pm

GOLD COAST

6 - 9 Feb	9.00am - 4.30pm
28 Feb - 3 Mar	9.00am - 4.30pm
20 - 23 Mar	9.00am - 4.30pm

SUNSHINE COAST

6 - 9 Feb	9.00am - 4.30pm
27 Feb - 2 Mar	9.00am - 4.30pm

TOOWOOMBA

14 - 17 Feb	9.00am - 4.30pm
-------------	-----------------

CAIRNS

28 - 31 Mar	9.00am - 4.30pm
-------------	-----------------

TOWNSVILLE

7 - 10 Feb	9.00am - 4.30pm
------------	-----------------

Registration and Licensing Courses
February - March 2017

**COMPREHENSIVE REGISTRATION
EVENING CLASSES**

BRISBANE

Commencing: 27 February	Monday and Tuesday evenings 6pm - 9pm for 4 weeks
----------------------------	---

Career Networking Events

BRISBANE

21 Feb	12.30pm - 1.30pm
23 Mar	12.30pm - 1.30pm

GOLD COAST

28 Feb	12.30pm - 1.30pm
--------	------------------

SUNSHINE COAST

28 Mar	5.30pm - 7.00pm
--------	-----------------

Resident Letting Agents Block Course

BRISBANE

27 - 31 Mar	12.30pm - 1.30pm
-------------	------------------

GOLD COAST

6 - 10 Mar	12.30pm - 1.30pm
------------	------------------

Specialised Courses
February - March 2017

PROPERTY MANAGEMENT

I Love PM - Feature Day	BRISBANE: 17 Mar (9.00am - 5.00pm)
	BRISBANE: 3 Mar (9am - 4pm)
QCAT Know How for Residential Property Management	TOOWOOMBA: 7 Mar (1pm - 4.30pm)
	TOWNSVILLE: 15 Mar (1pm - 4.30pm)
Property Management Documentation and Legislation Refresher	TOOWOOMBA: 7 Mar (9am - 12.30pm)
	TOWNSVILLE: 15 Mar (9am - 12.30pm)
	BRISBANE: 2 Mar (7.15am - 8.45am)
Property Management Breakfasts	GOLD COAST: 22 Feb (7.15am - 8.45am)
	SUNSHINE COAST: 23 Feb (7.15am - 8.45am)
Property Management Platinum Series: Day 1	BRISBANE: 8 Mar (10am - 3pm)
Job Ready Property Management	BRISBANE: 1 & 2 Mar (9am - 4pm)

SALES AND AUCTION

Selling Lots in a Community Title Scheme	BRISBANE: 29 Mar (9.00am - 12.30pm)
	BRISBANE: 7 Mar (1pm - 4.30pm)
Selling Investment Property	TOOWOOMBA: 21 Mar (1pm - 4.30pm)
	TOWNSVILLE: 14 Mar (1pm - 4.30pm)
Defending Your Fee and How to Effectively Compete with Discount Commission Agents	BRISBANE: 15 Mar (9am - 12.30pm)
Sales Success Series 2017	BRISBANE: 22 Feb (6.30pm - 8pm)
How to Earn More Money by Prospecting Less - Take Your Business to the Next Level in 6 Easy Steps	SUNSHINE COAST: 28 Mar (9am - 12.30pm)
Sales and Auction Documentation and Legislation Refresher	BRISBANE: 21 Feb (1pm - 4.30pm)
How to Write Attention Grabbing, Highly Effective Ad Copy that Sells	GOLD COAST: 13 Mar (9am - 12.30pm)

BUSINESS OWNERSHIP SERIES

BOS 1 Creating Cultural Change in your Organisation	BRISBANE: 21 Mar (9am - 12.30pm)
---	----------------------------------

COMMERCIAL

Commercial sales series - Part 1	BRISBANE: 14 - 15 Mar (9.00am - 4.30pm)
Commercial sales series - Part 2	BRISBANE: 10 - 11 Apr (9.00am - 4.30pm)

TECHNOLOGY AND DIGITAL MEDIA

Digital Media Marketing Masterclass	BRISBANE: 2 Mar (9am - 12.30pm)
	GOLD COAST: 13 Mar (1.30pm - 5pm)

FAQ: Can we store records electronically?

WORDS BY KIM COFFEY, PROPERTY MANAGEMENT SUPPORT SERVICE

Most agents are moving towards electronic storage because it's so much more efficient both in terms of space required, and retrieving records when you need them.

For the most part, the legislation specifies what records have to be retained and for how long, rather than specifying the method of storage that is to be used. There are a few exceptions though where legislation does mention "hard copy" records:

What has to be stored as a hard copy record?

The Agents Financial Administration Regulation, section 4 is about using software to keep books, accounts and records. In subsection (4) it says:

The principal agent must, within 5 business days after the end of the month, make a hard copy of the following information—

- (a) if the agent uses the system to keep a trust ledger account—the balance of the trust ledger account;*
- (b) if the agent uses the system to prepare a trust account cash book reconciliation—the reconciliation completed under section 17(1)(a);*
- (c) if the agent uses the system to reconcile a trust account financial institution statement balance with the trust account cash book balance—the reconciliation completed under section 17(1)(b).*

Maximum penalty—10 penalty units.

And subsection (5) says;

If the principal agent uses the system to keep a trust account ledger, the principal agent must immediately before a trust ledger account or investment ledger account is deleted from the system—

- (a) make a hard copy of the ledger account; and*
- (b) keep the hard copy in the principal agent's records.*

Maximum penalty—10 penalty units.

Also, Fair Trading have advised that

in relation to trust account receipts, if a hard copy receipt is given to a person then the agency is expected to retain a hard copy copy in their records. If the receipt was created electronically and the person was not given a hard copy, then the receipt can be stored electronically - as long as the receipt is in the system and can be viewed or printed if needed.

The RTRA Act doesn't include specifications about hardcopy versus electronic storage of records.

What forms of electronic storage are acceptable?

The legislation does also contain requirements for electronic records to meet certain standards. In the Agents Financial Administration Regulations section 27 is about keeping documents in electronic form. It reads;

27 Keeping documents in electronic form

(1) This section applies if—

- (a) a principal agent is required to keep a document under the Act; and*
 - (b) the document is stored in electronic form on a computer.*
- (2) The principal agent must ensure—
- (a) the computer system has enough capacity and backup capability to record the information required to be kept under the Act; and*
 - (b) the computer system is backed-up at least once a month; and*
 - (c) a computer disk or other electronic device used to store the backed-up information is kept in a location that—*
 - (i) is not the principal agent's principal place of business or the principal agent's business address; and*
 - (ii) is unaffected by magnetic interference or another thing that may adversely affect the stored information.*

Maximum penalty—10 penalty units.

The Agents Financial Administration Regulation 4, subsection (2), also says;

The principal agent must ensure that—

- (a) the system does not allow the deletion of a trust ledger account unless—*
 - (i) the account has a zero balance; and*
 - (ii) a record of the account, as it was immediately before its deletion, is kept; and*
- (b) an amendment of the particulars of a transaction recorded on the system is made by a separate transaction recorded on the system; and*
- (c) any record of information produced by the system is produced in chronological sequence.*

And subsection (3) says;

Also, the principal agent may use the system only if the system is capable of keeping in chronological sequence, a record of any change to the following information—

- (a) the name and address of a person for whom trust money is held;*
- (b) the description of a matter being conducted by the principal agent;*
- (c) the amount of trust money held for a person by the principal agent;*
- (d) the financial institution account number of a trust account.*

If an agency requires further interpretation of the legislation, or has specific questions about how the legislation applies to their particular circumstance, advice should be sought from Fair Trading, the RTA, or the agency legal advisor.

FAQ: The tenancy is nearly at an end and the property is sold. Can we terminate the tenancy?

The RTRA Act contains an allowance to terminate a periodic tenancy if the property is sold.

The RTRA Act contains an allowance to terminate a periodic tenancy if the property is sold. However if a tenant has a fixed term residential tenancy and the property is sold, there is no special provision in the RTRA Act that allows the lessor/agent to end that fixed term tenancy as a result of the sale. Therefore any notice to end the fixed term tenancy would simply be a normal 'without grounds' notice, and therefore handover (the required vacate date) must be the later of 2 months after the notice is served or the end of the fixed term. This means providing a minimum of 2 calendar months notice, not 60 days notice.

This means that even if the notice is served, say, one month before the end of the tenancy, or even on the last day of the fixed term, the tenant must still be given 2 months notice even though that notice period in each case will clearly run past their original tenancy end date.

As an example:

A residential tenancy ends on 10/1/17.

Without grounds notice is hand delivered to the tenant on 15/12/16.

The earliest vacate date on the notice would be 15/2/17 at midnight.

In the above example, even if notice was served on 10/1/17, it would still have to be a 2 month notice, and if hand delivered then the earliest vacate date on the notice would be midnight on 10/3/17.

Taking that same example a step further; if a new agreement for a further term is not signed up, and if notice to end the tenancy has not already been served to the tenant

(or by the tenant) by midnight of the 10/1/17, then the agreement will automatically become periodic on 11/1/17. If the property is sold, because the tenancy is now periodic, the tenant can now be given 4 weeks notice (which would equal 28 days, not 30 days) to vacate.

The 4 week notice timeframe for terminating a periodic tenancy when there is a sale only apply to tenancies that are currently periodic, and cannot be applied when a fixed term tenancy still exists, even if that fixed term tenancy is 'almost' at an end, or 'almost periodic'. The termination notice rules always apply to the type of tenancy the tenant is currently on. Once fixed term reverts to periodic, the periodic termination timeframes immediately apply. However the lessor/agent could not serve the 4 week notice before the tenancy has reverted to periodic, merely in anticipation of it becoming periodic soon.

The other option to end a fixed term (or periodic) tenancy in a shorter timeframe would of course be to negotiate a mutually agreeable end date, in writing, signed by all tenants and the lessor (or managing agent based on client written instructions). But if the tenant is not agreeable, then the notice periods explained above would apply.



How do you convert an exclusive agency appointment to an open listing at the end of the 90-day exclusive period?

The key is in understanding Part 6 and Part 10 of the Property Occupations Form 6.

Part 6 – Sales: Open listing, sole agency or exclusive agency

Under Part 6 of the Property occupations Form 6, agents who are engaged to sell property (whether it be commercial and/or residential property) must select whether the agent is appointed on a sole or exclusive agency basis or under an open listing. The difference between these 3 options is specified in the POA under sections 20 and 23.

- Under an **exclusive agency**, the agent is entitled to receive a commission on the sale of the property, regardless of whether or not the agent is the effective cause of the sale. However, under a **sole agency**, the selling agent would not be entitled to the commission if the seller themselves were the effective cause of the sale (for example, a friend of the seller bought the property without any involvement by the agent).
- An **open listing** is where the seller appoints the agent to sell the property, but the seller retains a right:
 - to sell the seller's property during the term of the appointment; and/or
 - to appoint additional agents as selling agents to sell the property.

Under an open listing, the agent is only entitled to a commission where that agent is the effective cause of sale.

Sole or exclusive agency appointments for residential property sales are limited to a maximum term of 90 days. Agents should be aware however, that

sole or exclusive agency appointments may be terminated with 30 days' notice but not before the appointment has been in effect for at least 60 days. For example: If written notice is issued on day 10 of a 90 day term, it will take effect on day 60. If written notice is issued on day 35, it will take effect on day 65.

The 90 day maximum limit applies to "residential property sales" only.

Agents may be reappointed for a sole or exclusive agency for the sale of residential property for 1 or more terms provided no individual term is more than 90 days. Agents should be aware that reappointments **must not** be entered into any earlier than 14 days before the term of the sole or exclusive agency ends. Penalties of up to \$22,000 apply. Where an 'open listing' is selected in the Property occupations Form 6, either party may terminate the appointment at any time by giving written notice.

Property occupations Form 6 Part 10 - Reappointment

Part 10 of the PO Form 6 features a reappointment section which may be used where the parties are seeking a reappointment of the term in circumstances where no other variation of the terms or conditions of the appointment is required. This section can be used for sole and exclusive agency reappointments or other single appointment reappointments. As stated in the section relating to Part 6 above, reappointments for sole and exclusive appointments for the sale of residential property cannot be made any earlier

than 14 days before the original appointment ends as significant penalties can apply. For example: An exclusive agency for 6 Smith Street is due to expire on 15 June 2015. A reappointment must not be entered into any earlier than 1 June 2015.

Agents need to be conscious of all important dates, and diarise actionable items (such as requesting a reappointment) very carefully.

Continuing a sole or exclusive appointment as an open listing at the end of the term:

Section 108 of the Property Occupations Act states:

- (1) This section applies to an appointment of a real estate agent for a sole or exclusive agency.
- (2) The appointment must state in writing—
 - (a) whether the appointment is for a sole or exclusive agency; and
 - (b) the day the appointment ends.
- (3) The appointment may provide that at the end of the term of the sole or exclusive agency, it continues under the terms of an open listing that may be ended at any time by the client or agent.

This means that if the sole or exclusive appointment is to continue as an open listing at the end of the term, in Part 4 – Appointment of Agent "Section 4 – Instructions/Conditions", insert the wording *'THE APPOINTMENT WILL CONTINUE AS AN OPEN LISTING UNTIL THE PROPERTY IS SOLD OR AS INSTRUCTED IN WRITING BY THE SELLER'*.

Brewer beckons to his blushing blonde bride-to-be

Congratulations to REIQ Board Director Peter Brewer, who proposed to his partner Tara Christianson in spectacular fashion on the Inman Connect stage in New York, last month.

Mr Brewer got down on bended knee in front of an audience of hundreds at the Marriott Marquis in Times Square, New York City.

"I didn't know he was going to propose, I had no idea," Ms Christianson said.

"Peter arranged it with Brad Inman a couple of weeks previous and Brad told me Peter and I would come up on stage to talk about what the ambassadors do.

"They miked us up that morning and then we were called to the stage. I started nattering about the ambassador program and then I noticed Peter on one knee!" she said.

"Of course I said yes! And then the internet broke!" she said.

A flood of well-wishes from thousands of friends, family, colleagues and acquaintances poured in from all around the world.



Commercial market wrap

WORDS BY BY COMMERCIALVIEW.COM.AU CEO, DANIEL BIGNOLD

Confidence has entered the Brisbane commercial market as 2017 shapes up to be the year where vacancy rates start to turn around.

Having experienced unprecedented availability following the GFC, which peaked last year, a boost across the board is expected to drive the fall in vacancy rates.

A total of more than 185,000 sqm of office space entered the market in 2016 including the completion of 180 Ann Street, 480 Queen St and One William Street which saw the relocation of more than nine full departments and agencies, all state government ministers and more than 5,000 public servants.

A lack of new stock entering the market is expected to see more competition and will contribute to the decrease of vacancy rates.

The declining Australian dollar has created a perfect storm for the tourist market and an attractive

education sector for foreign students will see the Brisbane market benefit as well as other areas in Queensland. Language schools in particular have increased their footprint and this is expected to continue.

The rise of coworking spaces will continue to play a positive role in the marketplace as entrepreneurs come together and tap vacant office space.

Key infrastructure projects are also likely to fuel demand for office space. Highlighting that Brisbane is in for a big year ahead, work started on the city's biggest ever development, Queen's Wharf precinct on New Year's Day.

Industrial precincts within 15km radius of the CBD, with good arterial road connections will be in demand as economic conditions stabilise and companies look to alternatives

outside of Sydney and Melbourne.

An interesting development to watch is Shayher Group's Brisbane Quarter at the former Supreme Court on 300 George Street. The mixed-use development includes a 40-storey commercial tower with 48,000sqm of office space as well as the reentry of the W Hotel to the Australian market, which was previously in Sydney in the early 2000s.

Brisbane Quarter is likely to draw interest from international retailers with 4209sqm of net lettable space across two levels offering riverside dining and luxury retail shopping. It is due for completion in mid to late 2018 and we are expecting to see increased leasing activity surrounding this property as the year progresses.



Housing affordability improves (and worsens) in Queensland

Housing affordability in Brisbane has improved marginally compared with five years ago, but in regional Queensland has worsened and is now approaching similar levels to Melbourne, according to the latest CoreLogic Housing Affordability Report.

The report, released last month, compares affordability factors with five years ago and 15 years ago. And over the past five years housing value growth has exhibited “unprecedented longevity”.

Further, the report outlines that national dwelling prices have risen by 19 per cent while household incomes have risen by just 9.2 per cent.

CoreLogic Housing Affordability Report: December 2016

The obvious divergence between dwelling values and income growth has occurred against a backdrop of lower mortgage rates, the lowest wages growth on record and disparate economic conditions across the states and territories.

Generally, Australians demonstrate a high elasticity of demand for housing, with lower mortgage rates driving high levels of demand in certain dwelling markets which has contributed towards pushing housing values higher. As a result of low mortgage rates, we have seen a reduction in the costs associated with servicing a mortgage, while the ‘deposit hurdle’ has increased, creating a financial barrier for new entrants to the market.

The contrast between improved debt servicing and the larger ‘deposit hurdle’ ...

Other than the relationship between incomes, interest rates and housing prices, there are many additional factors impacting housing affordability. On the supply side, government policies associated with housing supply and land releases are known to have a profound impact on the cost of housing. Additionally, developers pay significant fees to the government, which has flow-on effect to the cost of new housing, as well as higher construction costs which have consistently risen at a faster pace than inflation.

From a demand side perspective, many factors have led to rapid growth in specific housing markets. Net overseas migration to Australia remains well above the long term average, despite the recent slowdown in migration into the mining states. High migration has increased dwelling demand, particularly in Sydney and Melbourne which are still seeing historically high rates of migration.

High migration has increased dwelling demand, particularly in Sydney and Melbourne which are still seeing historically high rates of migration.



Brisbane



Another factor driving high housing demand is the disproportionate level of investment. Low interest rates, shallow returns from bonds and cash, as well as high volatility across equity and commodity markets have funnelled investment demand into housing. The latest data from the Australian Bureau of Statistics shows investors comprise 47 per cent of mortgage demand (excluding refinanced loans), with investors accounting for more than 55 per cent of mortgage demand across the New South Wales market.

Another factor influencing affordability is high transaction costs. The expense of stamp duty is creating an additional barrier for new housing market entrants. Stamp duty costs on the median priced dwelling are now more than \$30,000 across both Sydney and Melbourne which is adding to the savings challenge prospective buyers looking to participate in home ownership.

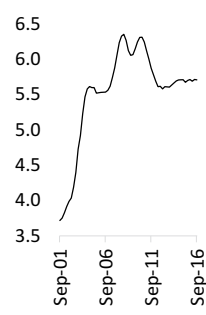
MEDIAN DWELLING PRICE

\$467,500 (five years ago: \$423,000)

Dwelling price to income ratio

5.7

(five years ago: 5.9)



The median dwelling across Brisbane costs 5.7 times the median annual household income.

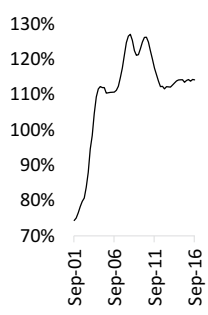
MEDIAN ANNUAL HOUSEHOLD INCOME

\$81,922 (five years ago: \$72,020)

% of annual household income required for a 20% deposit

114%

(five years ago: 118%)

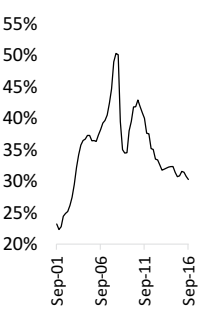


A 20% deposit on the median priced dwelling now costs \$93,500 equating to 114% of the annual household income.

% of annual household income required to service an 80% LVR mortgage

30.3%

(five years ago: 40.0%)

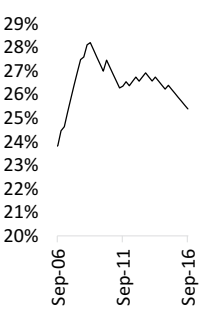


Annual loan repayments on the median priced dwelling with an 80% LVR is \$24,799, equating to 30.3% of the annual household income.

% of annual household income required to pay the rent

25.4%

(five years ago: 26.4%)



Annual rental payments on the median dwelling was \$20,540 in September 2016, comprising 25.4% of the annual household income.

Insufficient transport links to outer lying greenfield locations detracts from their desirability despite the more affordable housing these areas provide.



Regional QLD



Finally, in city areas a lack of decentralisation in major working centres has focused housing demand within close proximity to the largest capital cities which has, in turn, reduced affordability around city centres and driven the importance of efficient transport linkages in areas located further from the city centre.

Insufficient transport links to outer lying greenfield locations detracts from their desirability despite the more affordable housing these areas provide.

Clearly, addressing the issue of housing affordability is a complex task which is multi-dimensional, multidisciplinary and requires the cooperation of local, state and federal governments as well as the private sector.

What is particularly required is a coordinated housing policy coupled with a strategy that blends land release, zoning changes, infrastructure development and decentralising employment opportunities into areas where housing costs are substantially lower.

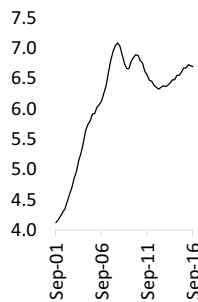
MEDIAN DWELLING PRICE

\$400,000 (five years ago: \$374,000)

Dwelling price to income ratio

6.7

(five years ago: 6.6)

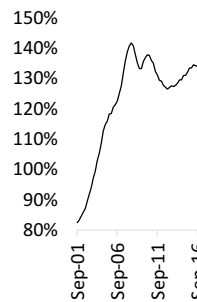


The median dwelling across Regional Qld costs 6.7 times the median annual household income.

% of annual household income required for a 20% deposit

134%

(five years ago: 131%)



A 20% deposit on the median priced dwelling now costs \$80,000 equating to 134% of the annual household income.

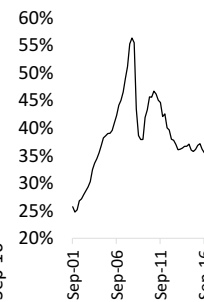
MEDIAN ANNUAL HOUSEHOLD INCOME

\$59,718 (five years ago: \$57,044)

% of annual household income required to service an 80% LVR mortgage

35.5%

(five years ago: 44.6%)

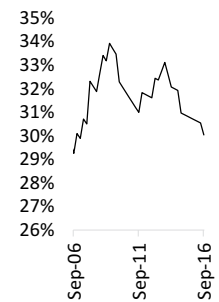


Annual loan repayments on the median priced dwelling with an 80% LVR is \$21,219, equating to 35.5% of the annual household income.

% of annual household income required to pay the rent

30.0%

(five years ago: 31.0%)



Annual rental payments on the median dwelling was \$17,680 in September 2016, comprising 30.0% of the annual household income.

19

© Copyright 2016. RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic) and its licensors are the sole and exclusive owners of all rights, title and interest (including intellectual property rights) subsisting in this publication including any data, analytics, statistics and other information. All rights reserved.



Escape for a Friday afternoon party of entertainment, style and cocktails

Supporting The Lady Musgrave Trust - Queensland's oldest charity, to provide accommodation and support services to homeless women and children.

Friday March 31, 2017, 2 pm
at Blackbird Bar and Grill, 123 Eagle Street, Brisbane
With an After Party!

\$95 per person (or 10 tickets for \$875)

To purchase tickets, please visit www.ladymusgravetrust.org.au/event-2395236

Charity seeks real estate help

A charity that has helped homeless women find shelter is seeking help from the real estate community in continuing its work.

The Lady Musgrave Trust has been breaking the cycle of homelessness for more than 10,000 young women for 130 years.

CEO Karen Lyon Reid said the real estate community, responsible for helping find homes for thousands of Queenslanders every day, was well placed to help The Lady Musgrave Trust carry on its work.

“Two out of three people who look for crisis accommodation are turned away,” she said. “Many end up on the street or living in sub-standard

boarding houses, caravans, cars, or sleeping on friends’ couches,” she said.

“We need more accommodation so we can help women when they are afraid, in crisis and at their most vulnerable,” Ms Lyon Reid said. The Trust relies solely on donations and grants for its operations.

This year, The Lady Musgrave Trust hopes to provide quality accommodation and support services to 200 homeless women under the age of 30 (and their children) every year.

“The real estate profession is so closely linked to what we do in terms of assisting homeless women, it seems like a good fit for an agency that may be looking for a good cause to support,” she said.

How you can help

- Donate a small percentage of your

sales commission for a property you sell (0.5% for example)

- Offer for property managers and leasing agents to donate a percentage of property management services fees income
- Be a sponsor of The Lady Musgrave Trust annually or for our Handy Guide for Homeless Women (distributed across Queensland and including advertising)
- Loan a unit of accommodation for a period of time
- Partner with the Trust to build a new not-for-profit leasing business, providing low cost accommodation to the homeless
- Host a fundraiser for an event run by The Lady Musgrave Trust

Please contact the Trust at www.ladymusgravetrust.org.au/.



QUEENSLAND
**MARKET
MONITOR**

KNOWLEDGE IS POWER

Subscribe to the REIQ QMM:
a quarterly report on the Qld real estate market

REIQ.com



Travelling costs and the new withholding tax on property purchase

WORDS BY BDO PARTNER, EDDIE CHUNG

Investors who buy and sell properties from you are more often than not highly sensitive to the operation of the tax law in relation to their properties because tax has a direct impact on their return on investment. Understanding how the tax rules apply to your clients may give you some insight into what motivates their behaviour, which could very well help you push a property sale across the line.

Below are two common tax issues that are often encountered by property investors.

Travelling costs

The general legal principle that allows a property investor to claim a tax deduction is that the relevant cost must be incurred in the course of them producing their assessable income to the extent that the cost is not capital, private, or domestic in nature. In other words, any non-capital and non-private cost they incur that is related to them deriving rental income from their investment property will generally be tax-deductible if they can establish a direct nexus between the cost and them earning the rental income.

The same principle applies to travelling costs they incur that are related to their investment property. The key question you need to ask is – *Is there a direct nexus between the travelling costs and the property investor earning income from their investment property?*

As simple as this question may appear, it is not always easy to determine if travelling costs incurred are directly related to the derivation of income from a rental property and that the costs are not treated as private or domestic expenditure.

Perhaps the most salient point regarding this question is whether the travelling costs are incurred *at the time when the property investor is in the course of earning rental income*. In that regard, it is generally accepted that once an investment property is *available for rent*, as distinct from it actually being rented out, the investor is taken to be in the course of deriving rental income.

What this practically means is that if a property investor incurs travelling costs at the time when their property is available for rent, which may be evidenced by their property manager having listed the property to procure tenants from the public at large, the travelling costs should be tax-deductible. The same applies if they incur travelling costs to maintain the property (eg, cleaning, gardening, repairing) while it is available for rent or actually being rented.

Travelling costs incurred will also be tax-deductible if they are attributable to a period during which the property was rented out to tenants, even after the tenancy has ended, including the investor travelling to the property to:

- Fix up the property in-between tenants;
- Inspect the property at the end of a tenancy; and
- Undertake repair work on the property due to wear and tear caused by tenants while the property was rented out.

However, applying the same principles, travelling costs will not generally be tax-deductible if the costs are incurred by the investor to:

- Inspect the property *before* they have actually bought the property;
- Negotiate with a seller in the course of them buying the property; and
- Inspect the property or travel to the property to ready it for rent but before the property has become available for rent.

Importantly, the above applies regardless of where the property is physically located. Having said that, if the property is located far away from where the investor lives and they have to undertake extensive travel to get to the property (eg, travel interstate or overseas), they will be required to substantiate the travelling costs in *addition* to keeping

the normal documentary evidence to substantiate the costs (eg, invoice for airfare, receipts for fuel purchased from a service station, etc).

If the trip requires the investor to travel away from home for more than six nights or more in a row or to a location outside of Australia, they are required to keep a detailed log book of their trip to substantiate the purpose of the trip. To that end, if they undertake the trip for multiple purposes, eg, they use part of the trip to inspect their investment property and have a holiday, then they will need to apportion the travelling costs on a reasonable basis to only claim the portion of the costs that relate to their investment property.

For completeness, tax-deductible travelling costs are not limited to trips to and from the investment property. Travelling costs associated with the investor collecting rent from, say, their property manager and meeting with their accountant to discuss their tax affairs will also be deductible, subject to them satisfying the substantiation rules, if relevant, as detailed above.

New withholding tax on property sales and purchases

From 1 July 2016, new tax rules will apply to any real property contract entered into on or after that date where the market value of the property is \$2 million or more. In normal circumstances where the seller and buyer have negotiated the purchase price on an arm's length basis, the purchase price will be accepted as the market value of the property.

How are buyers affected?

The new rules will require a buyer to withhold 10% of the purchase price of real property valued at \$2 million or more and pay that amount to the Australian Taxation Office (ATO) upon settlement unless the seller provides a 'Clearance Certificate' to the buyer on or before settlement. Upon receipt of a Clearance Certificate, the buyer's obligation to withhold will be discharged.

DocuSign for  Realworks

COMING SOON!

Save time – documents signed anywhere, anytime.



Contracts signed remotely



Paperless



Fast



Trusted



Compliant

Try it at Realworks.com.au | REIQ Accredited Agencies save \$\$





Without a Clearance Certificate, the buyer's statutory obligation to withhold will apply *regardless of whether the seller is a resident or non-resident of Australia for taxation purposes*. This is an important point to note because many people think that the new rules are targeted at collecting tax from foreigners who own properties in Australia. In contrast, the rules apply to everyone, regardless of their tax residency status in Australia.

On the other hand, if the seller provides a 'Rate Variation' to the buyer before settlement, the buyer will still have an obligation to withhold but the amount to withhold will be based on a lesser (ie, less than 10%) withholding rate as determined by the ATO on the Rate Variation.

If the buyer has failed to withhold the relevant amount at settlement and pay it to the ATO, a penalty for failing to withhold equalling the amount that was required to be withheld may be imposed on the buyer, together with an administrative penalty and general interest charges.

Therefore, there may be potential adverse consequences if the buyer is not aware of these rules and has failed to withhold tax where it is required.

How are sellers affected?

A seller who is selling a property with a purchase price of \$2 million or more under an arm's length transaction may either apply for a Clearance Certificate or Rate Variation from the ATO, which should be provided to the

buyer before settlement. Otherwise, the buyer will withhold tax from the sale proceeds at settlement.

The seller may apply for a Clearance Certificate at any time but the certificate will only be valid for 12 months and must still be valid at the time the certificate is provided to the buyer.

The ATO will only issue a Clearance Certificate to a seller who is a resident for Australian tax purposes. Once an application for a Clearance Certificate has been submitted, it will usually take a few days for the ATO to issue the certificate. However, in less straightforward cases, the certificate may take up to 28 days for it to be issued. Complex cases may take even longer.

If the seller is not entitled to a Clearance Certificate but believes that the default 10% withholding rate is inappropriate, the seller may apply for a Rate Variation from the ATO. Provided that the variation is provided to the buyer before settlement, the buyer will be required to withhold tax at the lesser rate on the Rate Variation. The variation will be issued within 28 days in the majority of the cases.

If tax has been withheld from the sale proceeds, the seller may offset the withheld tax against their Australian tax liability on the sale of the property, regardless of whether the sale has given rise to a capital gain or revenue in the hands of the seller.

Therefore, if a seller is not aware of these rules, they could find themselves not receiving the full proceeds on the sale of their property on settlement, which could cause other headaches that could potentially be avoided.

Important disclaimer: *No person should rely on the contents of this article without first obtaining advice from a qualified professional person. This article is provided on the terms and understanding that the author and BDO (QLD) Pty Ltd are not responsible for the results of any actions taken on the basis of information in this article, nor for any error in or omission from this article. The article is provided for general information only and the author and BDO (QLD) Pty Ltd are not engaged to render professional advice or services through this article. The author and BDO (QLD) Pty Ltd expressly disclaim all and any liability and responsibility to any person in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, upon the whole or any part of the contents of this article.*

**[Love PM?
You'll love
this event!]**



I LOVE PM

FRIDAY 17 MARCH 2017
GARDENS THEATRE, QUT | 8.45AM - 5.30PM

Property Managers are time-poor and face an abundance of challenges. So we've designed this one-day "one-stop-shop" to give you what you need to thrive in 2017.

We know you love to learn, and we're offering you topics close to your heart including:

- QCAT – Present Your Case Like a Pro
- Leadership, Business Growth, Workplace Attitude
- RTA – Legislation, investigations and compliance issues

Learn how leading property managers use smart communication techniques to create positive relationships and minimise conflict

+ Access to products and services that will help you to succeed from our favourite suppliers!

Speakers will include PM favourites:

- Malcom Riley
- Nick Pirie, Office of Fair Trading
- Cyndi Ward, RE/MAX
- Nick Brown, Edge Property
- Lynn Smith, Residential Tenancies Authority
- Connie McKee, REIQ Property Management Support Service
- Samara Bedwell, Macwell Property Management
- Katie Knight, RE/MAX
- Lisa Perruzza, Place
- Joanna Boyd, Aon

+ 2 exciting guest speakers to be announced soon!

Rockhampton: A market in flux

WORDS BY REIQ RESEARCH ANALYST, KARINA SALAS

In the early 2000s, Rockhampton's property market performed well, with steady growth driven by organic factors such as population growth and a diverse economy.

However, the GFC and the mining downturn has shaped the property market in Rockhampton and in 2016 the sales market contracted, and fewer transactions triggered a downward trend in the median sale price. The prognosis is that the market will continue to face challenging conditions for the short term, although new infrastructure projects such as the Riverfront Revitalisation Project and the prospect of providing a FIFO base for the Adani mega-mine are optimistic signals that a turn may be on the horizon.

Rockhampton's economy has been struggling. Unemployment is higher than the state's average and national levels, fluctuating between 8 per cent and 10 per cent for the past 18 months. Additional jobs created in industries such as agriculture, healthcare and public service have been unable to offset losses from the mining boom.

Historic trends – houses v units

Looking at the median unit sale price over the past 10 years, the cumulative growth from June 2006 to June 2016 was 55.3 per cent. This is solid growth, although it is off a very small base, with Rockhampton's unit market best described as fledgling.

The median house price over that period grew 40 per cent, which means units have grown in value at a greater rate than houses over the past decade, to June 2016.

And from March 2013 to July 2016, in a non-traditional turn, houses became more affordable than units. This trend was partially driven by

owner occupiers choosing modern, low-maintenance units over the ageing stock of established houses, which would require additional investment and extensive renovation to reach the desired living standards.

Tight listings keep prices stable

Sales volumes (the number of transactions) fell by about 65 per cent for houses (the green line in the graph) and 49 per cent for units (the purple line) from January 2005 to September 2016.

However, limited listings meant that demand was kept consistently high for what little stock there was on the market and this insulated prices from a similar plunge.

The market trend indicators confirm the contracting demand for both houses and units. A typical house in Rockhampton takes about 105 days to sell with an average vendor discount of 10.8 per cent. The average unit takes 103 days to sell and has an average 8.1 per cent vendor discount.

Moderate economic and population growth and its impact on the property market

Over the decade, from FY 2005 to FY 2015, Rockhampton's economy grew 31.3 per cent, from \$3.8 billion gross regional product to \$5.1 billion. This moderate increase was partially driven by population growth of about 14 per cent over the same period.

Against a backdrop of a decade of moderate economic and population growth the housing and unit markets grew very strongly, by about 93.5 per

cent and 149.8 per cent respectively.

This extraordinary growth without a fundamental economic driver is an indicator that the housing market growth was unsustainable and primarily driven by consumer enthusiasm (which dried up once the coking coal price contracted).

Government efforts to improve economic development

Urban Rejuvenation

Urban rejuvenation is one of the six key economic development programs designed to diversify the local economy.

The \$30 million Riverfront Revitalisation project is expected to transform the Rockhampton Riverfront by linking the CBD, with the theatre and arts precinct, adding restaurants, hotels and apartment living. It will be completed in two stages, the Quay Street reconstruction and the Lower Bank reconstruction.

Funding for the first stage is being provided by the Rockhampton Regional Council and the special assistance package from the State Government.

The Quay Street reconstruction program is under construction and is due for completion in 2017. This phase of the project is creating sharing space and facilities for pedestrians, bikes and cars as well as a shopping and dining precinct.

The Lower Bank reconstruction stage will build a water play area, a playground and a pier structure with restaurant and amenities. This project is currently under the tendering phase.





Image: Riverfront Revitalisation, Rockhampton Regional Council

Transport, Logistic and Manufacturing Promotion

The transport, logistic and manufacturing program seeks to establish Rockhampton as the principal transport and logistics hub in regional Queensland. Rockhampton has recently secured a FIFO base position for the \$21 billion Adani coal mega-mine. The mine will boost local economies, support housing market stability and long-term economic development for Queensland.

Property Market Prognosis

Price volatility and contraction have been two dominant characteristics of the Rockhampton residential property market over the past few years.

Investment in projects such as the Rockhampton CBD Revival Project and the Adani mine are already improving business confidence and delivering a bright spot on the horizon for the local economy.

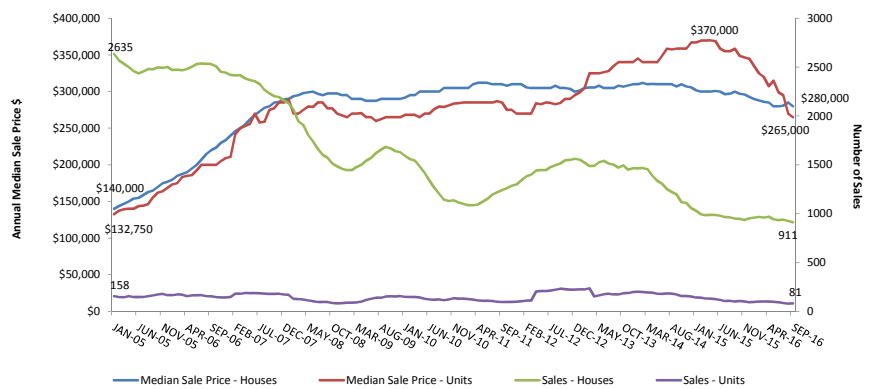
The current coking coal price of about \$300 per tonne is similar to the peak five years ago and this is improving the financial outlook of local mining companies and creating employment opportunities in the region.

However, a word of caution, with sector specialists forecasting a long-term coking coal price of \$160-\$170 per tonne for 2017.

The property market remains challenged, with housing and unit prices approaching prices last seen about a decade ago.

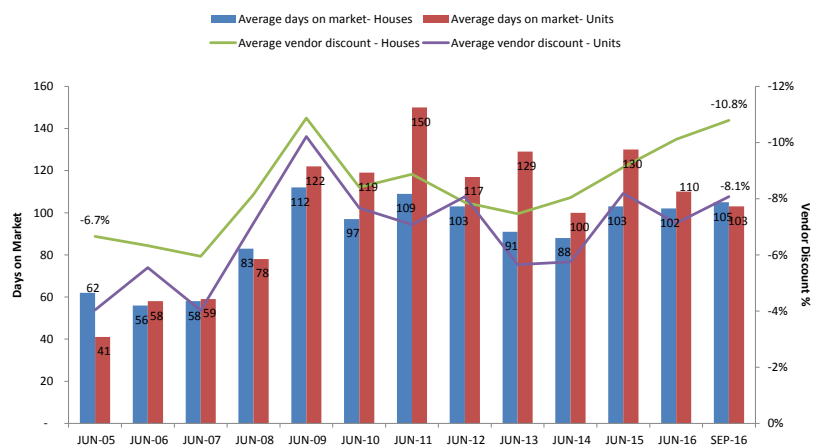
The recovery and future stability of the residential property market is reliant on the success of the government's economic development activities, as well as on the global environment for mining companies and small businesses.

**ROCKHAMPTON PROPERTY MARKET
TREND OF KEY INDICATORS**



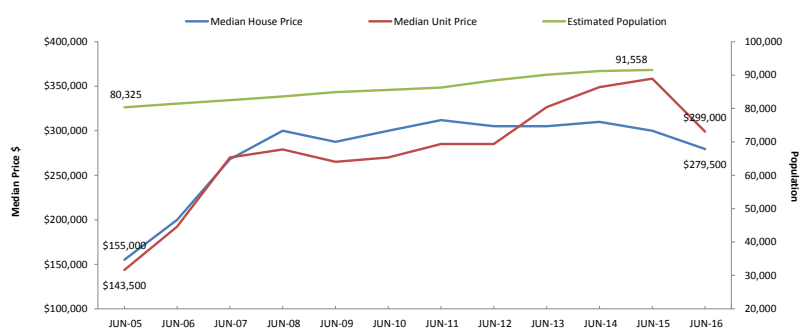
Source: Corelogic RP Data, 12-months rolling data.

ROCKHAMPTON MARKET TREND INDICATORS



Source: REIQ, Data supplied by Corelogic RP Data.

ROCKHAMPTON PROPERTY MARKET AND POPULATION GROWTH



Source: REIQ, Data supplied by Corelogic RP Data. 12-months rolling median sale price. ABS 3218: Regional population growth id, population experts website, data compiled from the National Institute of Economic Research

Update on *Chandler v Silwood*

WORDS BY CARTER NEWELL SPECIAL COUNSEL, BRETT HEATH

The Queensland Court of Appeal has dismissed the appeal brought by an occupier of a property with respect to a significant judgment awarded to a lawful visitor to the property.

Introduction

In the August 2016 Journal, we reported on the judgment in the Supreme Court of Queensland in *Chandler v Silwood*.¹ That case concerned a claim for damages made by a visitor to a property (**Ms Chandler**), who was badly injured when she slipped and fell on the wet front stairs to a property belonging to her former de facto partner (**Mr Silwood**).

The Queensland Supreme Court awarded Ms Chandler \$650,000 in damages as a result of the injuries she sustained. It was held that Mr Silwood should have reasonably foreseen the risk presented to a visitor to his home by his wet front stairs.

Mr Silwood appealed the judgment to the Queensland Court of Appeal.

On 28 October 2016, the Queensland Court of Appeal delivered its judgment dismissing his appeal. In doing so, it ratified the reasoning of the trial judge, Chief Justice Holmes, and rejected Mr Silwood's arguments to the effect that the findings of the trial judge were against the weight of the evidence or influenced by the benefit of hindsight and considered and applied the general principles with respect to the formulation of a duty of care to take precautions against risk of harm, set out in section 9 of the *Civil Liability Act 2003* (Qld) (**the Act**).

The facts

The house at which Ms Chandler was injured was owned and occupied by the father of her infant child, Mr Silwood.

On the afternoon of 9 September 2008, Mr Silwood had hosed some bat droppings from the front wall of the house. That wall was situated adjacent to the two front stairs to the house. As a result of the hosing of the front wall, some water pooled on the front stairs to the house.

That evening, at about 8.30pm, Ms Chandler arrived at the house, pursuant to an arrangement the two had struck earlier in the day, whereby Ms Chandler would bring the infant to Mr Silwood for the night, so that she might catch up on some rest. Thankfully, Ms Chandler was not carrying the infant when she approached the front stairs to Mr Silwood's house.

As Ms Chandler made her way up the stairs to the front door, she slipped on a wet stair and slid towards the front door. She threw up her arms to protect herself, and her right arm pierced a glass panel at the bottom of the front door. She bled profusely, having damaged an artery, and lost almost half a litre of blood at the house. When Mr Silwood visited Ms Chandler in hospital a few days later, he acknowledged to her that he had washed down the house on the day of her visit and so the steps *'might have been'* wet, so as to cause her fall.

The trial judgment

The trial judge found that it should have been apparent to Mr Silwood, had he considered the matter, that the front stairs were wet and would remain wet for some time and so, could be hazardous. It was held that:

'The risk of injury to Ms Chandler through the steps being in a wet and slippery state was foreseeable. Mr Silwood knew that she was coming to the house that night. The risk of her falling on the stairs and hurting herself was not insignificant. It was compounded by the fact that the stairs were in darkness, which removed any possibility that Ms Chandler would perceive the danger. A reasonable person in his position, in my view, would have made sure that the stairs were dry, or at least warn Ms Chandler in their telephone conversation that they might be wet and should be

*taken with care, and would certainly have made sure that the light was on. None of that would have created any difficulty for Mr Silwood, and doing so would have obviated a real prospect of serious harm to Ms Chandler. The failure to take those steps was a breach of his duty to her. It unnecessarily exposed her to the risk of the fall and injury which in fact occurred.'*²

The arguments on appeal

Mr Silwood sought to challenge the judgment on three bases, namely:

1. The trial judge had *'impermissibly used'* hindsight to reach the conclusion that Mr Silwood ought to have *'prospectively apprehended the risk'* of Ms Chandler slipping on the stairs;
2. The finding that Ms Chandler's slip occurred as a result of the stairs being wet was not a finding which was supported by the evidence; and
3. The fact that the stairs were not lit was not a cause of the accident.

The rejection of the appeal arguments

As to the first limb of the appeal, namely that the trial judge had approached the consideration as to whether Mr Silwood had exercised reasonable care on a factually dubious basis, this argument largely depended upon Mr Silwood's challenge to the engineering evidence presented at trial by Ms Chandler. The engineer called by Ms Chandler, Mr Kahler, had given evidence to the effect that it was probable that the stairs were still wet, having been hosed down earlier in the day, at the time that Ms Chandler arrived at the house, and that, applying standardised testing, the stairs, being wet, produced a *'moderate to high risk of slipping'*.

Mr Silwood sought to challenge Mr Kahler's findings on the basis that he contended that much turned upon the issue as to whether Ms Chandler approached the stairs 'square on' or at an angle. Mr Silwood's asserted that Mr Kahler's assessment of the slipperiness of the stairs was predicated on the basis that the stairs were slippery only if approached 'square on' and that, given that the evidence at trial established that she had approached the stairs from an angle, the assumption underlying his expert opinion was unsound and should be rejected because the court could not be satisfied that a slip from a step taken at an angle was caused by dampness on the stairs.

That argument was rejected by the Queensland Court of Appeal. In the leading judgment written by Justice Atkinson, it was noted that Mr Kahler had prepared his report, prior to the trial, on the basis of Ms Chandler's instructions that she had stepped from the concrete path which lead to the stairs at an angle onto the first step, using her right foot, rather than first walking onto the tiled area below the stairs and walking directly up on to the stairs. However, the trial judge found that Ms Chandler had stepped onto the steps at an angle and had one foot on the tiles at the bottom of the stairs, as well as her right foot on the first step.

Ultimately, however, it was found by both the trial judge and in the Queensland Court of Appeal that the discrepancy between the instructions given by Ms Chandler to Mr Kahler before the trial, and her evidence at trial, did not undermine Mr Kahler's analysis of the slipperiness of the stairs.

The Queensland Court of Appeal dismissed the proposition that the trial judge had applied hindsight, or that there was insufficient evidence that the stairs were wet, or that the absence of lighting was not a cause of the accident and, instead, stated that the reasoning of the trial judge was 'thoroughly explained and well justified'.³

Justice Atkinson summarised the Queensland Court of Appeal's endorsement of the trial judge's approach as follows:

'There is no occasion for this court to substitute different findings [from those of the trial judge].

*Those facts are: the steps were wet; the appellant had made them wet by hosing the wall above them; the steps were slippery when wet when approached at an angle; the appellant knew the respondent would be using the steps that night; it was entirely predictable that she would approach the steps by a direct route and, therefore, at an angle; the respondent had not turned on a light that would illuminate the steps; the steps were wet, slippery and in darkness; the appellant knew, and the respondent did not know, nor had any reason to think, given that the weather was fine, that the steps were wet. Unsurprisingly, the respondent slipped on the steps... A reasonable response to that situation was to dry the steps, to warn the respondent of the risk, or to at least have illuminated the steps so that [Ms Chandler] would have some prospect of seeing that they were wet and therefore potentially slippery.'*⁴

The application of the Act

The Queensland Court of Appeal also considered the general principles with respect to civil liability set out in section 9 of the Act, which states that a person does not breach a duty to take reasonable precautions against a risk of harm unless:

1. The risk was foreseeable;
2. The risk was not insignificant; and
3. A reasonable person in the position of the person would have taken the precautions.

Factors which the Act states are relevant to the assessment as to what a reasonable person should do are:

1. The probability that harm would occur if care is not taken;
2. The likely seriousness of the harm;
3. The burden of taking precautions to avoid risk of harm; and
4. The social utility of the activity that creates the risk.⁵

The Queensland Court of Appeal applied section 9 to the facts of this case and concluded:

'The risk of a person slipping on the wet stairs and being injured was foreseeable and not insignificant and so a reasonable person would have taken the precautions

*suggested by the trial judge, given the probability of the harm of slipping, the seriousness of the harm that could result from slipping and how easy it would have been to obviate the risk of harm.'*⁶

Conclusion

The factors which clearly weighted heavily upon the judgment of both the trial judge and the appeal court were:

1. The serious injury sustained by Ms Chandler;
2. The fact that Mr Silwood had created the risk of slipping by hosing;
3. The fact that the risk referable to slipping could have easily been remedied by mopping up the pooled water; and
4. The fact that Mr Silwood failed to mop up, or warn his visitors, whom he knew would be coming, of the risk presented by the wet stairs, or to even illuminate the wet stairs.

In our earlier article, we warned that, in light of the findings of the trial judge, home owners, landlords and their agents should be mindful of their proactive duty to warn visitors to properties of reasonably foreseeable risks presented to their visitors. The judgment of the Queensland Court of Appeal serves to underscore the importance of doing so.

The judgment should not, however, be regarded as creating a new obligation upon home owners, landlords and their agents to eliminate all risks associated with visiting a property. The world is not made of cotton wool. But the courts expect home owners, and by extension their agents, to exercise common sense. The duty extends to registering, eliminating, or warning about, reasonably foreseeable risks.

¹ [2016] QSC 90.

² See the judgment at first instance at paragraph 26.

³ See the judgment at first instance at paragraph 33, quoted at paragraph 26 of the Queensland Court of Appeal judgment.

⁴ See paragraph 30 of the judgment of Justice Atkinson in the Queensland Court of Appeal.

⁵ See paragraph 30 of the judgment of Justice Atkinson in the Queensland Court of Appeal.

⁶ See section 9 of the *Civil Liability Act 2003* (Qld).

⁷ See paragraph 32 of the judgment of Justice Atkinson in the Queensland Court of Appeal.

QCAT update: disciplinary proceedings commenced against letting agent

WORDS BY CARTER NEWELL SENIOR ASSOCIATE, ANDREW PERSIJN

As agents will be aware, one of the functions of the Queensland Civil and Administrative Tribunal (Tribunal) is to hear disciplinary complaints against real estate agents brought by the Chief Executive, Department of Justice and Attorney-General.

In this article, we consider the initial decision in *Chief Executive, Department of Justice and Attorney General v Peterson Management Services Pty Ltd* [2015] QCAT 473 as well as the appeal decision.¹ The decisions consider the operation of the following sections of the former *Property Agents and Motor Dealers Act 2000* (Qld) (**PAMD Act**):

- section 139 (commission may be claimed only in relation to actual amounts);
- section 140 (restriction on recovery of reward or expense – no proper authorisation); and
- section 141 (restriction on recovery of reward or expense above amount allowed).²

The Department of Justice and Attorney General (**Department**) commenced disciplinary proceedings against Peterson Management Services Pty Ltd (**Respondent**), the letting agent at a resort located at Currumbin Beach. The Respondent held signed PAMD Form 20a's (Appointment of agent – letting and property management) for each property in the letting pool. Annexed to each PAMD 20a was a schedule outlining the agreed charges for a number of services (**schedule**).

The Department submitted the following four grounds for instituting disciplinary proceedings against the Respondent:

1. General cleaning services – the Respondent breached section 141(6) the PAMD Act by charging unit owners an amount above that allowed.

2. Window cleaning services – the Respondent breached section 140(2) the PAMD Act by retaining a charge for window cleaning where it was not properly authorised to do so.
3. Foxtel services – the Respondent breached section 141(6) the PAMD Act by charging unit owners an amount above that allowed.
4. Wotif bookings – the Respondent breached section 139(2) the PAMD Act by charging commission on the amount Wotif received from guests and not the amount the Respondent received, after Wotif had taken its commission.

Ground One – General cleaning services

The schedule detailed the agreed charges for general cleaning services as \$64.90 per clean for a 1 bedroom unit and \$73.70 per clean for a 2 bedroom unit (inclusive of GST). However, the Respondent was invoiced by the cleaner \$30.00 for a 1 bedroom unit clean and \$39.50 for a 2 bedroom unit clean.

The Department submitted that 'expenses', as set out in section 133(3)(c) (ii) of the PAMD Act, means a service provided by a third party, but each amount charged by the Respondent identified in the schedule for a bedroom clean consisted of a payment made to a cleaning contractor, with the balance retained by the Respondent. Further, the Department submitted that the balance amount retained by the Respondent was not an expense and fell within the definition of "reward" in section 141 of the PAMD Act, and the schedule did not specify the retained amount.

The Respondent relied on the fact its fees were disclosed and agreed to in the PAMD Form 20a and the schedule, and submitted that it was entitled to make a profit in providing cleaning services to the unit owner, regardless of whether the Respondent employs its own cleaning staff or engages a subcontractor.

The Tribunal found that the Respondent was providing a service. Further, it found that the price charged for the service included a base expense and a reward to the Respondent for arranging the cleaning services, totalling the amount specified in the schedule. Accordingly, no breach of section 141(1) or 141(3) was found because the Respondent did not seek an amount for a reward or for expenses greater than that stated in the schedule.

In reaching this conclusion, the Tribunal emphasised the plain intention of section 141 was to prevent agents from obtaining secret commissions and to ensure consumers are fully aware of what they are being charged for; the nature and amount of the charge. The Tribunal found that the Respondent clearly stated a price (which it charged), for a stated service (which was performed) and which the unit owner formally agreed to in writing before the performance of such service (in the PAMD Form 20a and the schedule). Therefore, there were no undisclosed profits.

Ground Two – Window cleaning services

The schedule did not identify any specific fee, charge or commission payable to the Respondent for window cleaning services. Despite this, unit owners were charged \$35.20 or \$39.60 per window clean, even though the window cleaners' invoiced the Respondent only \$14.00 or \$16.00 for window cleaning.

The Respondent conceded that it was not properly authorised, as required by section 140(1)(c) of the PAMD Act, to charge what it did for the window cleaning. Accordingly, the Tribunal found a breach of section 140(2) by the Respondent for raising a charge for that work.

Ground Three – Foxtel services

The schedule detailed the agreed charges for Foxtel cable television services, with the amounts ranging from \$61.60 per month to \$84.80 per month. However, Foxtel invoiced the Respondent \$55.00 per unit per month and the Respondent charged the unit owners \$84.80 per unit per month.

The service provided by the Respondent in relation to the Foxtel services included not merely passing on the Foxtel price, but also the administration, checking of operation of the Foxtel boxes, assisting guests with issues, and liaising with Foxtel as to replacement of faulty units. The Tribunal applied the same reasoning as for the general cleaning services charges and noted that the charge for Foxtel services was disclosed in the schedule and agreed between the parties. It was not a discrete expense or reward, but an agreed fee or charge for the service and, so, there was no breach.³

Ground Four – Wotif bookings

The Respondent was authorised by the schedule to a commission of 13.2% including GST for holiday accommodation rental amounts collected from Wotif. Before the Respondent received moneys from Wotif, Wotif deducted its commission of 10%.

The Department submitted the Respondent contravened section 139(2) of the PAMD Act by claiming commission on an amount more than the amount actually collected. This submission was advanced on the basis of the agreed fact that the Respondent charged commission to unit owners

calculated on the amount collected by Wotif, and not on the lesser amount actually collected by the Respondent.

The Respondent submitted that Wotif, as agent for the Respondent, was a trustee of the total rent payment for the Respondent, and that the commission was payable on the total rent payment because that was the gross amount received by the agent acting on behalf of the Respondent.

The Tribunal considered the Supplier Agreement between the Respondent and Wotif and concluded that Wotif acted as agent for the Respondent. Further, the Tribunal held that the terms "received" and "collected" were equivalent and interchangeable terms in the context of the PAMD Act, meaning that 'gross received' in the schedule was interchangeable with 'amount collected', such that the Respondent was authorised to charge 12% plus GST on the amount received on its behalf by Wotif.

Accordingly, the Tribunal held that the Respondent had not breached s 139(2) of the PAMD Act.

Determination at first instance

The Tribunal found that a disciplinary ground had been established as to Ground Two only (window cleaning services).

The Tribunal held that the remaining three breaches were not established.

The Department appealed the Tribunal's decision.

The Appeal

The Appeal Tribunal reversed the Tribunal's decision and held that the Tribunal's dismissal of the charges relating to general cleaning services, Foxtel service and the commission on Wotif bookings was erroneous as a matter of law.

In arriving at its conclusion, the Appeal Tribunal respectfully criticised the approach of the Tribunal member in relation to section 133 of the PAMD Act and stated "*its context, policy and a sense of fairness appear to be surer guides to its meaning than exquisite semantic dissection*".⁴

The Appeal Tribunal found that the global sums set out in the PAMD Form 20a and the schedule should have been particularised to show the

'fees, charges and commission' on one hand and the expenses incurred in providing the subject services on the other. This was required in order for the consumer to be fully aware of the nature and amount of the charges, with the "*nature*" of the charges being more than a bald total price; a distinct separation between the expense paid to the third party service provider and the amounts received as a personal payment to the agent was required.⁵

Further, the Appeal Tribunal considered that "*a fallacy lurks in the [respondent's] advocate's lateral glide from the language of the Act – 'fees', 'charges', 'commission' – to the concept of profit*". It was held that 'fee' was not necessarily synonymous with personal profit, and the PAMD Act does not refer to the concept of profit nor require an agent to dissect their fees into business overheads and net profits.⁶

It was clear, in the view of the Appeal Tribunal, that the consumer protection policy of the PAMD Act extends to the separate disclosure of the agent's fees for their services, as distinct from payments to a third party.⁷

Further Appeal

In November 2016, the Respondent filed a Notice of Appeal in the Supreme Court, appealing the decision of the Appeal Tribunal.

We will prepare a further article, including best practice recommendations, once the Supreme Court has delivered its decision.

¹ Chief Executive, Department of Justice and Attorney General v The Respondent Services Pty Ltd [2016] QCATA 163.

² See sections 88, 89 and 90 of the Property Occupations Act 2014 (Qld).

³ Department of Justice and Attorney General v Peterson Management Services Pty Ltd [2015] QCAT 473, [91].

⁴ Department of Justice and Attorney General v Peterson Management Services Pty Ltd [2016] QCATA 163, [15].

⁵ Ibid [18].

⁶ Ibid [12].

⁷ Ibid [14].

We are your **one stop shop** for real estate marketing



**PROFESSIONAL
PHOTOGRAPHY**



**REAL ESTATE
SIGNBOARDS**



**PRINT
SERVICES**



Specialist professional photographers



Easy to use Open2view® systems



Fast turnaround



Listing on our website



Edit and track property details 24/7



Download hi-res, print quality images



Easy referral tracking using marketing codes



realviewR integration



Facebook integration

All Open2view® Services

Still Photography
Twilight Photography
HD Video Tours
Print Services

Full Screen Walkthroughs
Real Estate Signboards
Aerial Photography
Interactive Floor Plans



open2view.com®

Real estate marketing solutions
www.au.open2view.com
0420465115

How to win the listing – a new series of top tips from our best agents

The REIQ Journal is tapping into the expertise of our outstanding members and help others be more successful in winning the listing. We will share some tried-and-tested tips and tricks that are proven winners.

What is your name and job title?

Amber Werchon – Director, Amber Werchon Property

How long have you been in real estate?

17 years now!

Why did you choose to get into real estate?

I had a passion for property investing and sales at a very young age, so it was a natural fit for me.

While I was at school, I worked part-time in retail to save my first deposit for an investment property when I was 16.

Please share with us one tip that helps you win the listing or win that new PM client every time.

If I had to think of one consistent thing, I'd say it was authenticity. I have always looked in the clients' best interests which is really easy when you look at this industry for a lifetime (not just 1-3 year plan), I never tell anyone that it's the best time to sell now just because I want the commission.

I treat everyone's home/marketing dollars like they were my own and it never proves me wrong.

The reality is that this in itself unfortunately isn't what is expected of our industry (hopefully this is changing) however people find it refreshing and it makes it easy to be the front runner.

If I am having to compete with someone else or multiple agents even, I would re-inforce our points of difference... after all if I can't sell myself/our team, how will we be the best one to sell their largest asset?

An example of when you have won a listing due to being authentic.

We listed one recently where we were competing with other agents as the seller knows and has dealt with a lot of agents when he was a buyer (has never sold a property on the Coast before). He used his experience as a buyer to choose the agents who serviced him best as a buyer and who were genuine in assisting him with his move.

And another example was where we approached the seller with a buyer who subsequently bought the property. The seller trusted (from previous dealings) that we genuinely had someone and wouldn't waste their time if we didn't.

We have also landed some great projects recently and I believe this is due to relationships and authenticity also.

I treat everyone's home/marketing dollars like they were my own and it never proves me wrong.





Done Deal

*27 The Esplanade,
Sunshine Beach*

Agency:
Tom Offermann Real Estate

Agent:
Mal Cox

Sale price:
\$6,450,000.

Sale Type:
Private Treaty

Where is the house?

The home is located within 300 metres of the Sunshine Beach Surf Club, with its patrolled beach, and the Village shopping centre which consists of a village store, professional offices and many fine cafes and restaurants.

Tell us about the property:

Architect designed and constructed several years ago, the structural integrity of suspended slab build over three levels, a liberal use of slate and the deep grain of exotic timbers, highlight a home built to embrace a wonderful beachfront location and maximize every square metre of its level esplanade allotment.

Outstanding ocean views greet you as you turn into what must be the shortest esplanade on the coastal



strip. A river rock edged pathway passes under a stand of sturdy bottle palm and a formal entry invites you into a world of luxuriously detailed interiors. The wonderful mix of platform viewing, outdoor terraces, removed media centre and fabulous kitchen follow the line of a fifteen metre lap pool and return shallows.

This is Noosa's go-to beachfront destination where the eclectic mix of specialty stores and spoils for choice bistro dining are underpinned by a wonderful Surf Lifesaving Club at its very heart.

The home features:

Five very large bedrooms, five bathrooms, internal lift from six car garage to all levels of the home, three living areas, butler's pantry, 12 metre lap pool, outdoor bathroom for the beach goers, large outdoor entertaining decks, security gates, landscaped gardens, panoramic

ocean, surf and beach views. 606 sqm allotment, architect design, suspended slab construction, slate and timber accents, four ensuite bedrooms, keypad/remote access garage, full security system/intercom, elevator, ducted air, extensive ocean/breaking wave views, dress circle location, only footsteps the beach.

How did you secure the listing?

I met the owners in the early 1990's and since then they have bought and sold property in Noosa, Noosaville and Sunshine Beach through me to a total of close to \$20 million. We are now firm friends.

What were the marketing strategies used?

Advertising has been placed in our Tom Offermann Glossy Magazine, Noosa News, editorials in a number of newspapers.

Supplier Directory

AUTOMOTIVE



Offering vehicles that combine luxury and performance with a programme that includes a range of unique privileges, it is with pleasure the Lexus of Brisbane Group offers the Lexus Corporate Programme to REIQ Members.

Contact Lexus of Brisbane Group on 07 3327 1777

AGENCY FUNDING



Commission advances

- Advances in 4 hours
- Personal service
- Confidential
- Come & go as you please

1300 738 211
www.expresscommission.com.au

DATA SERVICES



Australia's #1 provider of property data and insights to help real estate agents prospect, list and sell.

1300 734 318
www.corelogic.com.au

INSURANCE



Aon is the REIQ's insurance partner and offers members a full range of Landlord, Professional Indemnity and Office insurance products.

T: 1300 734 274
E: qldre@aon.com

PROPERTY PORTAL



Find the exact property you're looking for at the only industry-backed listings portal:

realestateVIEW.com.au

PRINTING SUPPLIES



PrintForce is the largest provider of Real Estate printing in Australia and offers the widest range of products available in the country.

Call 07 5556 9777 or
email qld@printforce.com.au

AUTOMOTIVE



Reward yourself with the many benefits of our Mercedes-Benz Corporate programme.

Find out if you are eligible today by visiting your authorised Mercedes-Benz dealership or www.mercedes-benz.com.au/corporate

BOND MANAGEMENT



Property Managers – we make collecting rental bonds easy!

- Easy sign-up process
- No minimum or maximum bond value
- Same day full bond repayment

Visit: www.easybondpay.com.au
or call us today 1300 022 663!

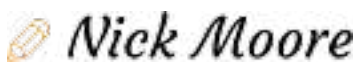
SOFTWARE



Rockend, the leader in property software, provides property solutions REST Professional, fileSMART and PropertyTree to real estate agents in Australia and New Zealand.

www.rockend.com.au
sales@rockend.com.au
1300 657 700

PROPERTY WEBSITES



Need a real estate website that works? Stand out online with a website that is effective and user friendly.

nick@nickmooremedia.com.au
www.nickmooremedia.com.au

SMOKE ALARM COMPLIANCE



Smoke Alarm Solutions is Australia's leading provider of smoke alarm compliance services to the real estate industry.

Don't delay, comply with legislation today!

1300 852 301
www.smokealarmsolutions.com.au

UTILITY CONNECTION



MAKES MOVING EASY

We arrange hassle-free connections for electricity, gas, phone, internet, pay TV and other moving services for your customers. Experience the difference with us today.

Call us on 1300 664 715

Promote your product or a special offer directly to members of the REIQ 3249 7374 journal@reiq.com.au



REIQ Exclusive Shop Deal

Special REIQ Member Discounts On Large & Compact Pinboards



Be One Step ahead Of The Competition
Offer all of your services to your clients.
Display your Contract and Conditions of Sale



"Used by Top Achievers"



Uses Pins or Velcro - Cross Sell All Your products - Set Up In Seconds - Great Listing Tool - Prestigious Image



ph: (07) 3249 7344 fax: 1800 177 734

reiq.com

Shop for pinboards at REIQ.com/store

Welcome to our new agencies!

Ray White Sippy Downs	SIPPY DOWNS, 4556	Michael Staskiewicz
Brisbane Property Agents	JINDALEE, 4074	Demelza Mitchell
Ashmen West Realty Pty Ltd	BRISBANE, 4000	Paul Bruton
LJ Hooker Redland Bay	REDLAND BAY, 4165	Robyn Jessop
First National Real Estate Rochedale	ROCHEDALE, 4123	Teresa Stewart
Town To Country Realty	RAVENSHOE, 4888	Danielle English
Rent City	CAIRNS NORTH, 4870	Kyle Olufsen
Premier Real Estate Agents	WEST BURLEIGH, 4219	Kylie Wardrop
My Local Agents	BUDERIM, 4556	Danielle Carroll
Base Property Group Pty Ltd	COOLANGATTA, 4225	Ben Stephens
Good Choice Realty	RUNCORN, 4113	Joseph Chung
Ray White Bellmere	BELLMERE, 4510	Donald Ward
Real Mgmt Pty Ltd	TOOWONG, 4066	Michael Mitchell
LJ Hooker Macleay Island	MACLEAY ISLAND, 4184	Robyn Jessop

Who's Who at the REIQ?

Zone Chairs

Zone	Contact	Office	Email
BUNDABERG	Le-Anne Allan	Richardson & Wrench Bargara Beach	l.allan@randw.com.au
CABOOLTURE	James Brown	Ray White Caboolture & Burpengary	James.brown@raywhite.com
CAIRNS	Thomas Quaid	Quaid Real Estate Pty Ltd	Thomas.quaid@quaid.com.au
EASTERN SUBURBS	Peter Barrett	Pat Barrett Realty	peterb@patbarrettrealty.com.au
FRASER COAST	Damian Raxach	One Agency Damian Raxach	damianraxach@oneagency.com.au
GLADSTONE	Vicki Brown	LJ Hooker Boyne Island	vbrown.boyneisland@ljh.com.au
GOLD COAST	John Newlands	Professionals Surfers Paradise	jnewlands@professionals.com.au
IPSWICH	Darren Boettcher	Boettcher Realty	darren@boettcherrealty.com.au
MACKAY	Peter McFarlane	Mackay Property & Management Services	peter@mprs.net.au
NORTHERN SUBURBS	Jason Bond	Elever Property Group	jason@eleverpropertygroup.com
REDCLIFFE	Joshua Kindred	Kindred Property Group	Joshua@kindred.com.au
ROCKHAMPTON	Noel Livingston	Professionals Livingston & Molloy R/E	noellivingston@professionals.com.au
SOUTHERN/LOGAN	Stanley Crook	Qld Rent Roll Brokers	stan@qldrentrollbrokers.com.au
SUNSHINE COAST	Amber Werchon	Amber Werchon Property	amber@amberwerchon.com.au
TWB/DARLING DOWNS	David Snow	Peter Snow & Co	david.snow@petersnow.com.au
TOWNSVILLE	Damien Keyes	Keyes & Co	damien.keyes@keyesandco.com.au
WESTERN SUBURBS	Colin Hawkins	Elders	colin.hawkins@elders.com.au

Chapter Chairs

Residential Sales

Daniel Argent

Commercial & Industrial

Doug Smith

Property Management

Clint Dowdell-Smith

Buyer's Agents

Meighan Hetherington

Auctioneers

Peter Burgin

Business Brokers

Ron Frank

Area Managers

Karen Woodworth - South East of SEQ

0400 722 183

kwoodworth@reiq.com.au

John McSpedden - North East of SEQ

0411 606 999

jmcspedden@reiq.com.au

Les Freeman – Far North Queensland

0488 168 052

lfreeman@reiq.com.au

Kate Cross – Central Queensland

0488 246 588

kcross@reiq.com.au

Board Directors

Chairman

Robert Honeycombe

Director

Linda Bland

Director

Jonathan Blocksidge

Director

Peter Brewer

Director

Mark Brimble

Director

Deborah Duffy

Non-Member Director

Julie Boyd

Non-Member Director

Anita Brown

Non-Member Director

Eddie Chung

Senior Management

CEO

Antonia Mercorella

ceo@reiq.com.au

CFO

Rod Facey

rfacey@reiq.com.au

General Counsel

Niti Prakash

nprakash@reiq.com.au

Training Services Manager

Anna MacMaster

amacmaster@reiq.com.au

Business Development and Sponsorship Manager

Brad Hay

bhay@reiq.com.au

Media and Communications Manager

Felicity Moore

media@reiq.com.au

Membership and Marketing Manager

Sheila Andrews

sandrews@reiq.com.au

Unleash *the* **POWER** *of* data

- ▶ Access the deepest and most reliable property data to prospect, list, sell and lease
- ▶ Win new listings faster and more often with the most innovative tools to differentiate you from the rest

Visit corelogic.com.au or call 1300 734 318.

