Leaky Buckets
Draining your business?

Say goodbye to the frantic monthly money juggle — look into your business buckets and learn how to keep staff, suppliers and the tax man happy.

PAGE 18
Hi. I am delighted to be elected as your President for the coming year. I would like to personally thank outgoing President, Frank Pompeani for the great effort and workload he took on during his term. Frank will be welcomed back to our Board as the immediate past President and we look forward to his important input.

I also would like to add my “thank you” to Ron Bell for a job well done. Ron was instrumental in forging some excellent relationships for the REIACT not only with our major corporate sponsors and Government but also with our growing membership base.

We welcome Michelle Tynan into her new position as CEO. Michelle has been acting in the role of General Manager since Ron’s retirement in March. As Manager of the Institute for the past 4 years, and with her administration and financial background, it made the decision very easy for the Executive. Please make sure you pop in at some stage for a catch-up with her. Both Michelle and Craig Bright will be representing the ACT at the National level and you can be assured that our interests are in good hands.

We held our first meeting of the new board last week and we have restructured a longer agenda than in the past, allowing time for more discussion on our Strategic Plan and policy items. Our new board members are being encouraged to get actively involved with both existing and new members and we will be implementing REIACT Breakfasts shortly to improve our rapport with members and have open discussions on areas of concern to members, the public, the Government and the Institute.

Canberra is experiencing excellent auction clearance rates, comparable with both Sydney and Melbourne, it’s very pleasing to see this method of sale gain popularity. Auction training is very important, whether it be through the REIACT or your franchise group to just keep abreast of current trends and regulatory requirements. REIACT’s own Auction Club is now having frequent, informal meetings to discuss these changes amongst other things.

If you would like to join the group, be it as a novice Auctioneer or an experienced agent, just contact the Institute for details.

The market at the moment is trending along the normal winter direction, being a little bit quieter, but with less stock available there is still some pressure on both sales and rentals.

The census data has finally made it’s way out of the ABS computer network and shows some interesting data for the ACT. Canberra borrowers have the second highest mortgage payments in Australia just $100 less than Sydney at $2,100 per month. To compensate though Canberra has the highest median income level at $998 per week compared to NSW at a modest $664.

RIGHT NOW is also the time to think about the Annual REIACT Awards for and Excellence and the REIACT Auctioneering Championships. I would like to encourage you and your staff to enter this years’ Awards as it is a fabulous way to reward and recognise your team.

Other benefits are:
- Industry and consumer recognition for your Brand
- The exclusive use of the REIACT Winner Logo for 12 months in all your advertising
- Pathway to REIA National Awards for Excellence

Don’t delay as closing dates for nominations are:
- Nominations for the Auctioneer of the Year close on 20th July 2017
- Nominations for the Awards for Excellence close on 21st July 2017

Click here for your Awards for Excellence Nomination Prospectus.
Click here for your Auctioneer of the Year Nomination Prospectus.

The 2017 REIACT Awards for Excellence Gala Dinner will be held on Saturday 16th September 2017 at the QT Hotel. To book your table click here to download the booking form and return to reception@reiact.com.au.

Michael Kumm
REIACT President
Well the last three months has certainly flown by with my main focus planning and charting the course of the REIAct for the next 12 months. REIAct Board elections were held in May and the 2017-2018 REIAct Board has a new look:

President: Michael Kumm
Deputy President: Stan Platis
Treasurer: Scott Hammond
Director: Craig Bright (REI Board Director)
Director: Chris Wilson
Director: Tom Ellis
Director: Sandra Masters
Director: Hannah Gill
Director: Frank Pompeani
Director: Stephanie Lynch

I look forward to working with the Board to continue to represent our members through advocacy and lobbying on both local and national matters.

The industry will face some interesting challenges of the next 12 months:
• The Affordable Housing Debate
• Changes to Negative Gearing — what does that mean for investors
• Changes of the Foreign resident capital gains withholding tax
• Changes to the ACT Residential Tenancies Act

Do we define Affordable Housing only to those looking to get into the housing market, or is it a much bigger picture also encompassing rental accommodation? Will the increase in land tax now affect the price of rents in Canberra? With interest rates still at lowest point for some time, surely more can be done to help those trying to achieve the great Aussie dream of owning your own home.

Figures released in the REI Market Facts for March 2017, show the last 12 months has seen the median house price in Canberra increase from $570,000 in March 2016 to $594,500 in March 2017, an increase of 4.3% over this period. The median rent price for a 3 bedroom home has increased from $450-00 to $470-00 during this same period.

The Federal Government announced its changes to the Negative Gearing. Whilst some aspects of negative gearing remain available to landlords, rules are being tightened around what can be claimed, specifically related to travel expenses and depreciation deductions.

The industry will face some interesting challenges of the next 12 months:

Changes to the Residential Tenancies Act

The ‘first round’ of changes to the Residential Tenancies Act will take effect on 24 August 2017.

The REIAct and ACT Government are currently in discussions to ensure the industry is delivered adequate education forums and fact sheets which will ensure all property management staff will be aware of the new legislation.
WHAT’S ON at REIACT

27TH JULY 2017 —
REIACT & API STATE OF THE MARKET BREAKFAST
Canberra, Are We At The Start Of An Infrastructure Led Boom? —
Click here to register
Venue National Gallery of Australia
Time 7:00am — 9:30am
CPD Points 2 x category 2

2017 REIACT AUCTIONEERING CHAMPIONSHIPS — NOMINATIONS NOW OPEN
2017 REIACT Auctioneering Championships nominations are now open, click here for a Nomination Prospectus.

The Championships will be held on Thursday 3rd August 2017 at the QT Hotel Canberra.

2017 Categories:
• Auctioneer of the Year
• Novice Auction of the Year (Open to both members and non-members)
• Auctioneer Franchise of the Year

2017 will also see the return of the ALLHOMES PEOPLE’S CHOICE AWARD, voted by the public.

Get your nomination in now — nominations close on Thursday 20th July 2017.

2017 REIACT AWARDS FOR EXCELLENCE — NOMINATIONS NOW OPEN
2017 Awards for Excellence nominations are now open, for a full list of Awards click here for a Nomination Prospectus. Submissions this year will be an online format, full instructions are in the prospectus.

The Awards are an opportunity for the profession to celebrate its achievements and recognise the most outstanding practitioners at a state and national level. Make the most of your success and nominate today.

The 2017 REIACT Awards for Excellence Gala Dinner will be held on Saturday 16th September 2017 at the QT Hotel, tickets on sale soon.

NEW members

WHOLISTIC PROPERTY SOLUTIONS
7A/20 Challis Street
Dickson
02 6241 3089
wholisticpropertysolutions.com.au

LANDBANC RESIDENTIAL
Level 1/29 Jardine Street
Kingston
02 5105 3330
landbancreidential.com.au

TRAINING

Our latest training calendar is now available with a wide range of seminars and events for all aspects of real estate.

July CBD Training:

14th July 2017 Full CPD — Property Management
Click here to register

REIACT Training will continue to provide all you CPD, Certificate of Registration and Licensing courses throughout the 2017 — 2018 year click here for the REIACT Events and Training Calendar.
THERE'S MORE BENEFITS

CURRENT SUITE - REI FORMS LIVE REIACRT

PROPERTY MANAGEMENT
- APPLICATION FOR TENANCY
- PROPERTY CONDITION REPORT
- MANAGEMENT AGREEMENT
- ROUTINE INSPECTION REPORT
- TENANCY AGREEMENT

RESIDENTIAL SALES
- SALES AGENCY AGREEMENT
- LETTER TO SOLICITOR NOTIFYING SALE – INCLUDES SALES ADVICE
- LETTER TO BUYERS SOLICITOR NOTIFYING SALE – INCLUDES SALES ADVICE
- AUTHORITY TO EXCHANGE CONTRACTS WITH A COOLING OFF PERIOD
- AUTHORITY TO EXCHANGE CONTRACTS WITHOUT A COOLING OFF PERIOD
- AUTHORITY TO EXCHANGE AT AUCTION OR AFTER AUCTION ON THE SAME DAY

PACKAGE PRICING PER ANNUM

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ACCESS TO REI FORMS LIVE REINSW – THESE ARE AVAILABLE ON A PAY PER FORM BASIS TO REIACRT INSTITUTE MEMBERS.

REIACRT WILL COME TO YOUR BUSINESS TO DEMONSTRATE REI FORMS LIVE
2017 REIACT AUCTIONEERING CHAMPIONSHIPS

Thursday 3rd August 2017
QT Canberra

CLICK HERE FOR THE NOMINATION PROSPECTUS
2017
AWARDS for EXCELLENCE
16 September 2017
QT Canberra
7.00pm

CLICK HERE FOR THE NOMINATION PROSPECTUS
BOOKING FORM
Please complete this form and attach payment to confirm your booking for the 2017 REIACT Awards for Excellence

CONTACT DETAILS
First Name       Surname

Company Name

Address

Suburb          State   Postcode

Telephone      Email

Dietary requirements

PAYMENT DETAILS
Please select from the options below

- $175.00 (incl GST) per person       Quantity required _______________
- $1,650.00 (incl GST) table of ten (please attach attendee) Quantity required _______________

Payment amount $

Charge my credit card   ☐ MasterCard   ☐ Visa

Card Number                        CCV                    Expiry Date

Cardholder’s Name

Signature

BOOKINGS
Return form and payment no later than Friday 8 September 2017

Email to:  reception@reiact.com.au

Inquiries:  Rebecca Elton on 02 6282 4544 or email to reception@reiact.com.au

Please note bookings will not be confirmed unless payment credit card details are completed.
Time to move ahead or be left behind: REIA ACTION PLAN FOR PROFESSIONALISM

After months of planning, real estate industry leaders have gathered together to action plans for professionalisation with the Real Estate Institute of New South Wales leading the way for a National scheme run by The Real Estate Institute of Australia. REINSW President John Cunningham and a group of more than 60 real estate leaders from across the country have vowed to change the industry’s image and ensure that there is a refocus on the property consumer’s experience.

“Today is day one,” Mr Cunningham said. “It is time to draw the line in the sand. The path to gain formal professional recognition is a long one, but there is no need to wait until the framework is in place, we can put the leadership, culture, attitudes and behaviours in place now.”

After first identifying the need to reform the industry some years ago, first steps were taken at last year’s REINSW Industry Summit where Professionalism was put under the microscope. In March an advisory group of leading agents was created to understand what was needed to move forward. “At the Property Professional Prelaunch Think Tank (12 July 2017) members of the industry were asked to make a choice: move ahead or be left behind,” Mr Cunningham said.

“The response from the industry was overwhelmingly in favour of making a monumental change and to join other industries that have successfully achieved professional standing in Australia including accountants and lawyers. “After all,” Mr Cunningham added, “we are being asked to provide advice on, and are given the keys to, people’s most valuable asset and that requires at a minimum a professional level of advice and service. “We aim to set high barriers for entry into the profession. We want a career in real estate to be something that you aspire to and need to work hard to achieve,” Mr Cunningham said.

An important part of the process will see changes to legislation around what is required to join the industry, the certificate of registration, the real estate license and to be the Licensee-In-Charge. Minister for Finance, Services and Property, Victor Dominello, who spoke at that the Think Tank, welcomed the changes and said that the new requirements will enable real estate agents to be ready to take the next step in their career and apply to becoming a professional.

“Hopefully we will see some historic reforms passing through parliament,” Minister Dominello said.

“These changes will require a certificate holder to increase the number of units of competency completed from four units to seven, and be required to take a mandatory pathway to obtain a license. These agents will go from the current zero experience to 12 months’ experience to apply for their license and a requirement of two years’ experience will be introduced for the Licensee-In-Charge. “We are trying to put real estate on a path to professionalism. One thing professionalism provides is a level of customer assurance as a client,” Minister Dominello said.

Mr Cunningham agreed. “It is time for the industry to take control and show consumers that they are the most important people in a property transaction and provide them with the skills, knowledge, experience and service that they not only demand but deserve.”

According to Mr Cunningham the next stage in the process is extensive consultation with the industry followed by further consultation with the community throughout 2018 as part of the submission to the Professional Standards Authority regulatory agency. The process could be finalised by the end of 2019.

The Real Estate Institute of the ACT is a stakeholder in this process and is keen to see the initiative gain traction within our industry. For further information please call Michelle Tynan, CEO of the Real Estate Institute of the ACT.
The latest property related developments in tax propose to tighten the deduction landscape for investors and require the majority of Australian property sellers to now seek ATO clearance.

The Government’s 2017 Budget contained a number of new proposals that seek to address the budget deficit. In the crosshairs this year are rental property owners and foreign resident property investors. Whilst the focus on offshore investors is a welcome approach to ensuring tax is paid in Australia, the method proposed means that the majority of Australian property sellers will be required to take action to ensure they are not penalised.

The Government had previously implemented a foreign resident capital gains tax withholding of 10% which has applied to properties sold for greater than $2 million. The changes have extended the withholding to properties greater than $750,000 and increase the rate to 12.5%. The new threshold and rate applies from 1 July 2017. Under the law, a clearance certificate is required to be sought from the ATO for any property sales over $750,000. The clearance certificate confirms the seller is a resident and removes the requirement to withhold. Generally, all impacted sellers will need to contact their accountant or their lawyer in order to obtain a certificate from the ATO. This will need to be done well in advance of settlements or sellers will be chasing the ATO for the 12.5% withheld from the sale.

Even more brutal is the Government’s proposed changes to deductible amounts for rental properties. From 2017 budget night, investors are no longer able to claim travel expenses associated with their investment properties, whether the travel is for an inspection or to complete necessary repairs. Investors will also be unable to claim depreciation on assets which they did not purchase themselves. This removes the current ability to claim depreciation on plant and equipment which is purchased as part of the purchase of a second hand property. As these changes are not yet legislated, it is unclear as to whether the impacts will stretch to new properties where the plant and equipment is purchased and installed by the builder rather than by the investor themselves. We will provide further guidance once the legislation has passed.

IN THE CROSSHAIRS THIS YEAR ARE RENTAL PROPERTY OWNERS AND FOREIGN RESIDENT PROPERTY INVESTORS.
As the next federal election looms, negative gearing and capital gains tax policy is topping the list of topics that will be hotly debated. Understand the implications of capital gains taxation with this primer from BDO partner and taxation expert Eddie Chung.

What is CGT?
Capital gains tax (CGT) may arise when you sell a CGT asset such as an investment property. Other CGT assets include a share portfolio or intangible assets such as goodwill or a contractual right.

Further, while the disposal of a CGT asset may trigger a CGT liability, there are other CGT events that do not necessarily involve the disposal of a CGT asset that will also give rise to CGT. For instance, if you surrender a right you own, create a trust over an asset, or destroy an asset that you own — those are also CGT events that could result in a capital gain or a capital loss.

There are assets that are exempt from CGT and these include motor vehicles or trading stocks. There are also instances where the capital gain derived or capital loss incurred is specifically disregarded, such as a CGT asset you acquired on or before 19 September 1985 or your main residence.

The sale of an investment property will trigger a CGT event but that does not always mean that a capital gain or a capital loss would arise. If the property is held on revenue account rather than capital account, then any gain you make from the sale of the property will effectively be taxed as income rather than a capital gain.

A property is held on revenue account if you acquired it with the intention of developing it for resale to realise a profit, whether that is on a one-off or a recurring basis. This is in contrast to buying property to derive rental income over the medium to longer term as a capital asset.

In more complicated situations, it is possible for a property to be bought as a capital asset but you subsequently change its purpose and convert it from being a capital asset to a revenue asset. Reciprocally, the opposite situation may also arise where you may convert a property from being a revenue asset to a capital asset.

Who is liable and which assets are subject to CGT?
If you are a resident or temporary resident for Australian tax purposes, you are generally liable to Australian CGT on any Taxable Australian Property you own, which is usually limited to Australian real estate, shares or units in certain companies and trusts that predominantly own Australian real estate, and certain mining, quarrying, and prospecting rights in Australia. Assets that are not Taxable Australian Property owned by a non-resident or temporary resident are not caught by the Australian CGT rules.

How is capital gains tax calculated?
Capital gain
The capital gain on the sale of a property is generally calculated by subtracting the cost base of the property from the capital proceeds. The higher is the capital gain, the lower is the capital gain.

Some capital gains are eligible for the CGT discount while others are not (refer to CGT discount section in this article). All the capital gains that are eligible for the CGT discount in an income year are aggregated (aggregated discountable capital gains) and all the capital gains that are ineligible for the CGT discount are also aggregated (aggregated non-discountable capital gains).
If the relevant entity has carried forward or current year capital losses, it may choose to use the capital losses to reduce the aggregated discountable capital gains and/or aggregated non-discountable capital gains at its discretion. If the capital losses are applied against the aggregated discountable capital gains, the reduction must be applied against the aggregated discountable capital gains first before the CGT discount is applied to arrive at the aggregated discount capital gain.

Given this requirement, it is generally more tax beneficial to apply the capital losses against the aggregated non-discountable capital gains first before any remaining capital losses are applied against the aggregated discountable capital gains.

All the remaining aggregated discount capital gain and aggregated non-discountable capital gain are added together to arrive at the ‘net capital gain’.

To calculate the CGT on the sale of an investment property, the net capital gain will need to be calculated, which is added to the taxable income of the entity that owns the property. The entity will then be subject to tax on its taxable income based on the tax rates that are applicable to the holding entity.

For instance, if you sell an investment property that you own as an individual, the net capital gain on the sale of the property is added to your taxable income, which is subject to tax at your marginal tax rates. If your investment property is owned by a company that is related to you, the net capital gain is added to the company’s taxable income, which is subject at the corporate tax rate (generally 30% unless the company is a Small Business Entity).

The cost base of a property includes a number of elements, which include the original purchase price of the property, the incidental costs on both the purchase and sale of the property (eg, stamp duty, legal costs, etc), capital expenditure to improve the property’s value, and costs to preserve or defend your title to the property.

Further, provided that the property was acquired after 20 August 1991, certain costs (known as the ‘third element’ of the cost base) that would ordinarily be revenue in nature but have not been claimed as a tax deduction are also included in the cost base, including interest on money you borrowed to acquire the property, costs of maintaining, repairing, or insuring the property, rates or land tax, etc.

However, the cost base must be reduced by the cumulative capital works deduction amounts that you have claimed or have been entitled to claim if you acquired the property on or after 13 May 1997.

To illustrate how these rules operate, consider the following example:

You as an individual sold two investment properties in the same income year. The capital gain on Property 1 that is eligible for the 50% CGT discount is $400,000. The capital gain on Property 2 that is not eligible for any CGT discount is $300,000.

You have carried forward capital losses of $500,000 and also incurred a current year capital loss of $50,000.

Your net capital gain will be calculated as follows:

Aggregated discountable capital gain = $400,000
Aggregated non-discountable capital gain = $300,000

Total carried forward and current year capital losses = $500,000 + $50,000 = $550,000

Net capital gain = ($300,000 - $300,000 of total capital losses) + ($400,000 - $250,000 of remaining total capital losses) x 50% discount

= $75,000

The $75,000 is added to your assessable income that is then reduced by any allowable deductions to which you may be entitled to arrive at your taxable income. Your tax liability for the year will then be calculated on the taxable income based on your marginal tax rates.

CGT discount

A capital gain may be reduced by half under the 50% CGT discount if the property has been held for at least 12 months by an individual or a trust. If the entity that owned the property is a complying superannuation fund, the CGT discount percentage is 33.33%. If the entity is a company, the CGT discount will not be available.

Before 8 May 2012, the CGT discount was available to both residents and non-residents of Australia for taxation purposes. However, the CGT discount is no longer available to individuals and beneficiaries of trusts who have been non-residents in respect of capital gains accrued on CGT assets on or after 8 May 2012.

If you are a non-resident and acquired an investment property in Australia on after 8 May 2012, you will not be eligible for the 50% CGT discount at all if you make a capital gain upon the sale of the property.
If you bought the property before 8 May 2012 and sell it after that date, you may elect to use the market value approach, ie, you may choose to apply the 50% CGT discount to any accrued capital gain on the property up to 8 May 2012 based on the market value of the property on that day and pay full CGT without the benefit of any CGT discount on any capital gain accrued from that point. If you do not choose this approach, you will not be eligible for the CGT discount on the entire capital gain.

Special apportionment rules apply if your tax residency status has changed during your ownership of the property to effectively remove the benefit of the CGT discount during the period(s) in which you were not a tax resident of Australia.

**Indexation**

Alternatively, instead of applying the CGT discount, you have the discretion to elect the ‘indexation method’ to reduce the capital gain you have derived. This method essentially allows you to increase the cost base of the property to account for movements in the consumer price index (CPI) since the property was originally purchased.

However, indexation has been frozen as at 30 September 1999, so regardless of when the property is actually sold, you may only index its cost base up to that date (the frozen CPI on 30 September 1999 is 68.7).

**Capital loss**

If the cost base of the property is equivalent to or exceeds the capital proceeds on sale, no CGT will arise.

If the capital proceeds fall somewhere between the cost base and the ‘reduced cost base’ of the property, no capital gain or capital loss will arise.

The reduced cost base of an asset differs from the cost base as follows:

- The reduced cost base does not include the third element of the cost base (refer to the paragraph under the heading ‘Capital gain’ above);
- The reduced cost base includes certain balancing adjustment amounts; and
- The reduced cost base cannot be indexed.

Similar to the cost base, the reduced cost base must also be reduced by the cumulative capital works deduction amounts that have been claimed or have been entitled to claim if the property was acquired on or after 13 May 1997.

However, if the reduced cost base exceeds the capital proceeds, the excess will be a capital loss, which will be available to offset against any current year capital gain or carried forward to offset any future capital gain.

More importantly, a capital loss can only be used to reduce a capital gain but can never be used to reduce other income that is not a capital gain.

**Timing of CGT event**

A capital gain is crystallised in the income year during which the relevant CGT event occurs, which is the time at which an obligation to sell an asset rises. This usually coincides with the point when the sale contract is executed by the parties. It would follow that the settlement date is not usually relevant when the sale of a property is effected by way of a written contract.

This is an important point to note, especially when you are selling your investment property close to the end of the income year. If you defer signing the sale contract with the purchaser until after 30 June, you may defer your CGT liability for 12 months.

**Last words**

CGT is generally straightforward in relation to the sale of a property but for specific exceptions and exemptions that may apply. To potentially minimise your CGT exposure, it is advisable that you consult your trusted property tax adviser before you sign any contract or enter into any transaction that may potentially give rise to CGT because once you have contractually committed yourself to a sale, it may not be easy to reduce or defer your CGT liability in relation to the sale.
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Get some good advice
from the super professionals for the real estate industry.

We’ve been managing super for Australia’s real estate employees since 1975, so it’s fair to say we know what we’re doing.

For over 40 years our members have enjoyed:
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Our expert advisers can assist with:
• options on how to maximise your super
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*Past performance is no indication of future performance.

Low fees
Profits to members
Strong returns
www.reisuper.com.au
From 1 July 2017, new tax rules will apply on any property transaction where the market value of the property is $750,000 and above.

Although the new laws are aimed at foreign residents, real estate agents must be aware that these new laws also impact Australian residents selling properties above this value.

**Summary**

The new laws require a purchaser to withhold 12.5 per cent of the purchase price of real property valued at $750,000 or more and to pay that amount to the Australian Taxation Office (ATO) on settlement unless the seller obtains a clearance certificate.

The new laws will start on 1 July 2017 and are aimed at vendors who are ‘foreign persons’. However, it will impact all property transactions valued $750,000 and over, irrespective of whether the vendor is a foreign person or not.

For any sale contract entered into on or after 1 July 2017 where the purchase price is $750,000 or greater, the purchaser has a statutory obligation to withhold 12.5 per cent of the purchase price at settlement from the vendor and pay that amount to the ATO. Following settlement, the vendor applies for a tax credit in relation to the amount withheld by the ATO for the capital gains liability arising from the transaction.

This means that Australian resident vendors who are selling property with a market value of $750,000 or above will need to apply for a clearance certificate from the ATO to ensure that their sale proceeds are not withheld.

**How do Australian residents obtain a clearance certificate?**

A vendor who is an Australian resident can obtain a clearance certificate by making an application on [ato.gov.au/FRWT_Certificate.aspx](http://ato.gov.au/FRWT_Certificate.aspx)

If the vendor is automatically assessed as an Australian resident, a clearance certificate will be issued within days of the application however, the process may take longer for more complex applications.

**When does the clearance certificate have to be given?**

Australian resident vendors must give the clearance certificate to the purchaser on or before settlement occurs to avoid the withholding 12.5 per cent of the purchase price.

**What if my client is a foreign person?**

Where the vendor is a ‘foreign person’, the purchaser must retain 12.5 per cent of the purchase price and pay that to the ATO at settlement, unless the vendor provides a valid ‘Variation Notice’ in which case the purchaser must remit the amount stated in the notice.

**When will the new laws apply?**

The new laws will apply to sale contracts (for $750,000 and above) entered into on or after 1 July 2017.
What types of properties do these rules apply to?

All property including, vacant land, residential property, commercial property, strata title and community titles schemes.

What does this mean for agents?

Australian resident vendor/s

- If you are appointed to sell a property and you consider its market value to be $750,000 or more then you should advise your vendor to apply for a clearance certificate from the ATO as soon as practicable to avoid 12.5 per cent of the purchase price being withheld at settlement.

Foreign resident vendors

- If you are unsure about the ultimate purchase price but there is some prospect that it may sell for $750,000 or above (for example, it is being sold at auction and the purchase price is unknown or it is being sold by expression of interest) you should advise your vendor to apply for a clearance certificate from the ATO as soon as practicable to avoid 12.5 per cent of the purchase price being withheld at settlement.

Where can I find more information?


DISCLAIMER: The information contained in this fact sheet is provided for general information purposes only. The information should not be used or relied on as a substitute for legal advice. If you require legal advice concerning a specific fact or situation, you should seek independent legal advice. REIACt accepts no liability or responsibility for any loss occurring as a result of anyone acting or refraining from acting on the basis of the information contained herein. Whist REIACt has taken all reasonable measures to ensure that the information contained in this fact sheet is correct, REIACt gives no warranty and accepts no responsibility for the accuracy or the completeness of the information.

REIACt Newsletter July 2017
Our Corporate Programme provides benefits for you.

- Complimentary scheduled servicing*
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Mercedes-Benz vehicles are renowned for quality, safety, luxury and performance. That’s why cars with the Mercedes-Benz three-pointed star are the choice of those who demand the best. That choice is even easier if you qualify for our Corporate Programme. Our Corporate Sales Consultants at Mercedes-Benz Canberra can provide eligible members with a range of privileges including complimentary scheduled servicing.* In fact, the benefits you receive with your new Mercedes-Benz may evoke more envy than the badge.

For full details, visit www.mercedes-benz.com.au/corporate

* Up to 3 years or 75,000 km from new (whichever comes first). AMG (excluding V12 vehicles) 3 years or 60,000 km from new (whichever comes first). All V12 vehicles 3 years or 50,000 km from new (whichever comes first).
IF SO, THE ACT GOVERNMENT WOULD LIKE TO HEAR FROM YOU.

The Public Housing Renewal Taskforce is buying up to 350 residences as part of its program to renew Canberra’s public housing.

If you have residential property (either completed or under construction) that you are interested in selling, you are invited to submit a proposal to the Taskforce.

Residences can be at any stage of development and in any configuration from separately titled dwellings and duplexes to multi-unit complexes of up to 30 units.

Benefits for developers and builders include:

- Early advice on Taskforce interest in your property
- Flexibility on settlement – early or delayed to suit you
- Significant savings on marketing and sales costs
- One-only inspection at a time to suit you.

MORE INFORMATION

Property consultant Mark Terracini can provide more information on this Expression of Interest process, as well as practical help with completing the necessary documents.

Call Mark Terracini on 0412 766 663 to discuss your property and how the EOI process works.

You can also register your details to receive the Expression of Interest documentation.

Visit www.tenders.act.gov.au and enter the tender number HR2016.30.01

This invitation for proposals is open until 27 September 2018 or until the Taskforce has all the properties required.
LEAKY BUCKETS
draining your business?

Say goodbye to the frantic monthly money juggle — look into your business buckets and learn how to keep staff, suppliers and the tax man happy.

In real estate — perhaps more dramatically than other businesses — the buck stops with you, the licensee. And you know only too well how the money side of things no longer just sorts itself out somehow.

These times are more likely to see you constantly hanging on by your fingernails, waiting for money to come in while trying to work out whom to pay first — staff, suppliers or the tax man. Wages are due, but you’re waiting for settlements. GST needs paying, but property management commissions aren’t transferred yet. And the overdue ATO account stresses you out as it builds up and up every month, no matter how hard you try to pay it down.

If you’d like to see an end to the monthly money drama, I have some suggestions.

Financial Clarity in Buckets

The key to running your business smoothly and profitably on a consistent basis lies first in separating out its distinct categories. Residential sales, commercial sales, property management and admin costs are what I call the ‘buckets’ of your business.

Each bucket must have — and be seen to have — its own inflow and outflow. Separating them out shows how much is going into and out of each bucket. It also helps as a reminder that the admin costs bucket needs to be supported by inflow (profits) from the other buckets.

For example:

- How much does the property management bucket make after paying:
  - related staff wages
  - a portion of advertising
  - PM motor vehicle costs
  - franchise fees due on rental commissions?

- How much does the sales bucket earn on an average number of sales, after paying:
  - memberships/advertising costs
  - franchise fees
  - commissions
  - any other flyers/banners or other related costs?

- What does it cost to run the admin side of the business:
  - support staff
  - insurances
  - bookkeeping costs and the like?

Overspending doesn’t have to happen if you can identify and track early on any area’s excessive outflow. Noticing how other buckets may be perilously propping it up, you can take timely action to rebalance your buckets.

Tracey Loubser

Tracey Loubser has been dubbed the Queen of Cashflow! Through her multi award winning business, Confident Cashflows, Tracey has helped many business owners — including those in real estate — to achieve higher profits and improve their cashflow.

Her acclaimed Seven Step Process has proved to be the key to such transformations with a shift from net loss to net profit in only one month, and net profit improvement of 65 per cent in just seven months.

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Leaky Buckets Make for Leaky Bank Accounts

An unprofitable area — a ‘leaky bucket’ — is even more serious than overspending. Why? Because in spite of its low-to-zero inflow (profit), that unprofitable area still attracts its own related bank outflows. And the effect on the bank account can be dire.

The times may be challenging, but you absolutely don’t need to find yourself scavenging and scrabbling to deal with GST and PAYG withholdings from salaried staff — not to mention tax office demands for settlement of businesses tax debts and PAYG installments.

No less than a farmer or a plumber, a real estate licensee needs to fully understand where and how the ‘water’ is flowing at any given time, how it might be leaking in destructive ways, and what can realistically be done about it.

Take the following steps to know the truth about how much money each distinct area of your business is making — and how much it actually needs.

Identify the average monthly amount of profit made by property management.

Identify how much money is needed to support the admin side of your business — support staff, insurances, bookkeeping, rent etc. (Remember to account for your own wage.)

Does the money made from property management cover this? If not, exactly what is the shortfall?

Facing the reality of a shortfall may not be comfortable. But you need to be aware of exactly what net dollar value sales commission (residential/commercial) would cover the shortfall — because that is precisely the amount you need just to make ends meet. To ensure your desired profit, you will need to consider how much to boost that figure.

If the situation looks unsustainable, then you will need to either cut costs or find a way to ensure you consistently earn that dollar value sales commission.

Clarity gives you Power

With the figures clearly visible, you can determine your flexibility regarding percentage or flat rate commissions you quote for prospective residential/commercial property sales listings.

It may be better to quote lower if you want to secure a listing, rather than miss out on it and continue to struggle financially.

Here’s to your freedom from the cycle of scavenging and overspending!
WE ARE PLEASED TO OFFER ALL CURRENT REIACT MEMBERS A 10% DISCOUNT ON SIMPLE WILLS, POWERS OF ATTORNEY & RESIDENTIAL CONVEYANCING SERVICES.

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It goes without saying that when you are hired to market a property, you will find out as much as you can about it to ensure you can find a buyer or a tenant — whether that is information about the house’s design and construction, an understanding of its location and potential price or insider knowledge about the neighbourhood.

One thing that might not be considered is whether the house has been used for illegal activities and whether these activities have had a lasting impact on the property. Attention to these factors has become important recently with the rise in the creation and consumption of a drug called methamphetamine, which has almost tripled since 2011.

Methamphetamine (also called ice or meth) is a highly addictive drug that is made or ‘cooked’ inside properties, which leads to contamination. This contamination has considerable consequences for any current and prospective inhabitants, as well as the condition of the property itself. For example, in 2016 the Courier Mail reported that a family who had purchased a house in rural Victoria had discovered their six year old son had the same levels of methamphetamine in his body as an adult drug abuser, just by living in the house. The family sued the local council for not disclosing the activities.

The chemical fumes that are a by-product of the drug seep into plaster, paint, carpet, the walls, furnishings and the floor, and it is very difficult to remediate — properly decontaminating the house can require completely gutting a property to a shell and in some cases it can be cheaper to demolish. In New Zealand, meth contamination has become such a problem that home insurers like IAG have recently increased premiums and excess levels.

What does this mean for you?

All agents need to be aware of what kind of property they are marketing and whether they need to disclose that some kind of illegal activity — such as meth cooking — has taken place in the property.

A failure to disclose methamphetamine contamination may result in an agent being liable for misleading or deceptive conduct. Indeed, in 2016 in New Zealand a family sued an agent who sold them a meth contaminated house. It is likely that methamphetamine contaminated houses will be seen as ‘stigmatized properties’ — if an agent sells such a property without disclosure they may be open to large fines.

Finding out that a house is being used for illegal activities is likely to be difficult. Some signs of meth contamination can include burns, rust in unusual places like doors and windows, strange smells and stains, and yellowed walls. It may also be prudent to include a section regarding awareness of illegal activities on a client questionnaire when you are first engaged. It may then be necessary to make further enquiries to ensure no misrepresentations are made.

It is clear that smoking meth ruins lives, but the cooking of meth ruins houses.

If you are concerned about what you should or should not disclose, please contact our office for advice.

Written by Laura Scotton and Alexandra Norris


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Alerts our 24/7 security control room by either;
ACTIVATING ‘PANIC’
A duress alarm which, when activated, sends an alarm to our control room with the user’s current GPS location.
ACTIVATING ‘WATCH ME’
A countdown timer which sends a signal to our control room with the user’s GPS location. If the timer expires, our operators follow the individual user’s pre-determined action plan to ensure their safety.

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- Share Twin Accommodation in quality hotels, central to all the action.
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Alerts our 24/7 security control room by either:

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Rises in property prices limited to Melbourne, Sydney and Darwin

In the March quarter 2017, median prices increased in the Australian residential property market. The weighted average capital city median price increased by 2.9% for houses and 2.5% for other dwellings.

The weighted average median house price for the eight capital cities is now $763,892. Over the quarter, the median house price increased in Melbourne, Sydney and Darwin. Over the 12 months to the March quarter, the weighted average capital city median house price has increased by 12.1%.

At $1,167,127, Sydney’s median house price is the highest among the capital cities. At $410,000, Hobart retains the lowest median house price across Australian capital cities, 46.3% lower than the national average.

In the March quarter 2017, the weighted average median price for other dwellings for the eight capital cities was $587,290, a quarterly increase of 2.5%. Over the quarter, the median price for other dwellings increased in Melbourne, Sydney, Hobart, Perth and Canberra. Over the 12 months to the March quarter, the weighted average capital city median price for other dwellings increased by 7.9%.

Over the March quarter, the median rent for three-bedroom houses increased in all capital cities except in Perth and Darwin. In the 12 months to the March quarter, the median rent increased in all capital cities except Perth and Darwin.

During the quarter, the median rent for two-bedroom other dwellings increased in Sydney, Brisbane, Adelaide, Hobart and Canberra, remained steady in Melbourne and Perth and, decreased in Darwin. In the 12 months to the March quarter, the median rent for two-bedroom other dwellings increased in all capital cities except Perth and Darwin.

As illustrated in Chart 1, both investor finance and owner occupier finance decreased over the March quarter, by 10.9% and 12.1% respectively.

Fast facts

**March quarter 2017**

**$763,892**
Quarterly Australian weighted median house price

**$587,290**
Quarterly Australian weighted median other dwellings price

**Median house prices up**

Melbourne 7.6% to $826,000  
Sydney 3.4% to $1,167,127  
Darwin 2.7% to $530,000

**Median house prices down**

Canberra 4.9% to $594,500  
Hobart 4.7% to $410,000  
Perth 2.8% to $510,500  
Brisbane 1.9% to $505,000  
Adelaide 1.3% to $444,000

**Median other dwelling prices up**

Melbourne 3.8% to $583,000  
Sydney 3.1% to $741,789  
Hobart 2.3% to $309,000  
Perth 1.7% to $419,000  
Canberra 0.2% to $426,000

**Median other dwelling stable**

Adelaide at $335,000

**Median other dwelling prices down**

Brisbane 2.0% to $801,875  
Darwin 10.4% to $430,000

**Vacancy rates**

Sydney 1.9%  
Melbourne 2.3%  
Brisbane 3.0%  
Adelaide n/a  
Perth 6.5%  
Hobart 1.7%  
Darwin 7.1%  
Canberra 1.7%
Sales market at a glance

The key features of the market for houses in the March quarter 2017 are:

- The Australian weighted average median house price of $763,892, 2.9% higher than the previous quarter, compared with a decrease of 1.5% in the same quarter last year.
- Over the quarter, the median house price only increased in Sydney, Melbourne and Darwin.
- In the 12 months to the March quarter, the weighted average capital city median house price increased by 12.1%, compared with an annual increase of 3.6% in the corresponding quarter of the previous year.

Table 1 Median house sales ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane</th>
<th>Adelaide</th>
<th>Perth</th>
<th>Canberra</th>
<th>Hobart</th>
<th>Darwin</th>
<th>Cap City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar Quarter 2017</td>
<td>1,167.1</td>
<td>826.0</td>
<td>505.0</td>
<td>444.0</td>
<td>510.5</td>
<td>594.5</td>
<td>410.0</td>
<td>530.0</td>
<td>763.9</td>
</tr>
<tr>
<td>Dec Quarter 2016</td>
<td>1,129.1</td>
<td>768.0</td>
<td>515.0</td>
<td>450.0</td>
<td>525.0</td>
<td>625.0</td>
<td>430.0</td>
<td>516.3</td>
<td>742.6</td>
</tr>
<tr>
<td>Quarter % Change</td>
<td>3.4%</td>
<td>7.6%</td>
<td>-1.9%</td>
<td>-1.3%</td>
<td>-2.8%</td>
<td>-4.9%</td>
<td>-4.7%</td>
<td>2.7%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Table 2: Moving annual median house sales ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane</th>
<th>Adelaide</th>
<th>Perth</th>
<th>Canberra</th>
<th>Hobart</th>
<th>Darwin</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Mar</td>
<td>742.8</td>
<td>600.1</td>
<td>452.9</td>
<td>406.3</td>
<td>539.3</td>
<td>507.5</td>
<td>363.6</td>
<td>611.8</td>
<td>578.2</td>
</tr>
<tr>
<td>Jun</td>
<td>772.9</td>
<td>625.5</td>
<td>459.2</td>
<td>411.3</td>
<td>544.3</td>
<td>515.0</td>
<td>371.8</td>
<td>613.9</td>
<td>595.9</td>
</tr>
<tr>
<td>Sep</td>
<td>804.1</td>
<td>635.5</td>
<td>465.0</td>
<td>415.0</td>
<td>553.0</td>
<td>522.5</td>
<td>373.8</td>
<td>615.2</td>
<td>609.6</td>
</tr>
<tr>
<td>Dec</td>
<td>837.8</td>
<td>645.6</td>
<td>470.1</td>
<td>418.8</td>
<td>554.5</td>
<td>536.1</td>
<td>371.3</td>
<td>608.9</td>
<td>622.9</td>
</tr>
<tr>
<td>2015 Mar</td>
<td>873.5</td>
<td>654.8</td>
<td>473.9</td>
<td>422.1</td>
<td>554.5</td>
<td>547.6</td>
<td>370.6</td>
<td>610.2</td>
<td>636.0</td>
</tr>
<tr>
<td>Jun</td>
<td>922.6</td>
<td>666.3</td>
<td>475.9</td>
<td>424.6</td>
<td>554.3</td>
<td>551.4</td>
<td>369.8</td>
<td>607.5</td>
<td>652.6</td>
</tr>
<tr>
<td>Sep</td>
<td>972.2</td>
<td>686.4</td>
<td>480.1</td>
<td>428.4</td>
<td>548.5</td>
<td>567.9</td>
<td>369.0</td>
<td>606.4</td>
<td>671.9</td>
</tr>
<tr>
<td>Dec</td>
<td>1,003.3</td>
<td>696.1</td>
<td>483.9</td>
<td>433.1</td>
<td>544.0</td>
<td>579.3</td>
<td>377.0</td>
<td>612.1</td>
<td>682.9</td>
</tr>
<tr>
<td>2016 Mar</td>
<td>1,017.9</td>
<td>701.1</td>
<td>487.4</td>
<td>436.0</td>
<td>537.8</td>
<td>578.1</td>
<td>377.6</td>
<td>601.5</td>
<td>688.8</td>
</tr>
<tr>
<td>Jun</td>
<td>1,026.4</td>
<td>706.5</td>
<td>492.9</td>
<td>441.0</td>
<td>533.5</td>
<td>588.1</td>
<td>382.3</td>
<td>593.0</td>
<td>693.6</td>
</tr>
<tr>
<td>Sep</td>
<td>1,034.5</td>
<td>711.3</td>
<td>497.3</td>
<td>443.5</td>
<td>530.5</td>
<td>586.6</td>
<td>389.3</td>
<td>579.1</td>
<td>697.7</td>
</tr>
<tr>
<td>Dec</td>
<td>1,063.7</td>
<td>727.5</td>
<td>501.0</td>
<td>445.0</td>
<td>526.8</td>
<td>593.9</td>
<td>398.8</td>
<td>556.2</td>
<td>710.3</td>
</tr>
<tr>
<td>2017 Mar</td>
<td>1,105.0</td>
<td>761.0</td>
<td>505.0</td>
<td>446.0</td>
<td>521.9</td>
<td>599.9</td>
<td>405.0</td>
<td>543.1</td>
<td>730.9</td>
</tr>
</tbody>
</table>

Brisbane, Hobart, Darwin median prices are not revised. For Sydney, Melbourne, Adelaide, Canberra and Perth where current quarter estimates are based on a high (75%-90%) sample of final sales current quarter estimates are compared with the revised estimates in previous quarters.

1. Sydney median price series adjusted for compositional change.
2. Perth data excludes properties on lots larger than 1ha, which represent approximately 1.5% of sales, all above the Perth overall median.
Other dwellings sales

The key features of the market for other dwellings in the March quarter are:

- The weighted average median price for other dwellings for the eight capital cities was $587,290, 2.5% higher than the previous quarter.
- The median price increased in Sydney, Melbourne, Perth, Canberra and Hobart, remained steady in Adelaide and, decreased in Brisbane and Darwin.
- In the 12 months to the March quarter, the weighted average eight capital cities median price for other dwellings increased by 7.9%.
- The median price increased in Sydney, Melbourne, Adelaide, Canberra and Hobart and decreased in Brisbane, Perth and Darwin.

1. Sydney moving annual median price series adjusted for compositional change.
2. Brisbane moving annual median price is based on preliminary data from September 2006 onwards, causing the data to be revised slightly downwards from previous publications.
Other dwellings sales at a glance

Table 3: Median other dwellings sales ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane</th>
<th>Adelaide</th>
<th>Perth</th>
<th>Canberra</th>
<th>Hobart</th>
<th>Darwin</th>
<th>Cap City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar Quarter 2017</td>
<td>741.8</td>
<td>583.0</td>
<td>401.9</td>
<td>335.0</td>
<td>419.0</td>
<td>426.0</td>
<td>309.0</td>
<td>430.0</td>
<td>587.3</td>
</tr>
<tr>
<td>Dec Quarter 2016</td>
<td>719.7</td>
<td>561.5</td>
<td>410.0</td>
<td>335.0</td>
<td>412.0</td>
<td>425.0</td>
<td>302.0</td>
<td>480.0</td>
<td>573.0</td>
</tr>
<tr>
<td>Quarter % Change</td>
<td>3.1%</td>
<td>3.8%</td>
<td>-2.0%</td>
<td>0.0%</td>
<td>1.7%</td>
<td>0.2%</td>
<td>2.3%</td>
<td>-10.4%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Table 4: Moving annual median other dwellings sales ($’000)

Chart 5: Moving annual median prices other dwellings ($’000)

Sydney moving annual median price series adjusted for compositional change.
Brisbane moving annual median price is based on preliminary data from September 2006 onwards, requiring the data to be revised downwards from previous publications.

Other dwellings sales at a glance

The key features of the market for other dwellings in the March quarter are:
• The weighted average median price for other dwellings for the eight capital cities was $587,290, 2.5% higher than the previous quarter.
• The median price increased in Sydney, Melbourne, Perth, Canberra and Hobart, remained steady in Adelaide and, decreased in Brisbane and Darwin.
• In the 12 months to the March quarter, the weighted average eight capital cities median price for other dwellings increased by 7.9%.
• The median price increased in Sydney, Melbourne, Adelaide, Canberra and Hobart and decreased in Brisbane, Perth and Darwin.
Rents and vacancy rates at a glance

Rents

Over the March quarter, the median rent for three-bedroom houses increased in Sydney, Melbourne, Brisbane, Adelaide, Hobart and Canberra. It decreased in Perth and Darwin. In the 12 months to the March quarter, median rents increased in Sydney, Melbourne, Brisbane, Adelaide, Hobart and Canberra. It decreased in Perth and Darwin. The largest increase of 5.7% was in Hobart. The largest decrease of 7.6% was in Darwin.

During the quarter, the median rent for two-bedroom other dwellings increased in Sydney, Brisbane, Adelaide, Hobart and Canberra. It remained steady in Melbourne and Perth and, decreased in Darwin.

In the 12 months to the March quarter 2017, median rents increased in Sydney, Melbourne, Brisbane, Adelaide, Hobart and Canberra but decreased in Perth and Darwin. The largest increase of 7.5% was in Hobart. The largest decrease of 10.5% was in Perth.

Table 5: Median weekly rents

<table>
<thead>
<tr>
<th>Capital City</th>
<th>3 Bedroom Houses</th>
<th></th>
<th>2 Bedroom Other Dwellings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quarterly Median $/week</td>
<td>Quarterly % Change</td>
<td>Annual % Change</td>
<td>Quarterly Median $/week</td>
</tr>
<tr>
<td>Sydney</td>
<td>490.0</td>
<td>2.1%</td>
<td>2.1%</td>
<td>540.0</td>
</tr>
<tr>
<td>Melbourne</td>
<td>390.0</td>
<td>1.3%</td>
<td>2.7%</td>
<td>420.0</td>
</tr>
<tr>
<td>Brisbane</td>
<td>390.0</td>
<td>2.6%</td>
<td>1.3%</td>
<td>395.0</td>
</tr>
<tr>
<td>Adelaide</td>
<td>350.0</td>
<td>2.9%</td>
<td>2.9%</td>
<td>295.0</td>
</tr>
<tr>
<td>Perth</td>
<td>370.0</td>
<td>-2.6%</td>
<td>-7.5%</td>
<td>340.0</td>
</tr>
<tr>
<td>Hobart</td>
<td>370.0</td>
<td>5.7%</td>
<td>5.7%</td>
<td>300.0</td>
</tr>
<tr>
<td>Darwin</td>
<td>494.0</td>
<td>-3.0%</td>
<td>-7.6%</td>
<td>375.0</td>
</tr>
<tr>
<td>Canberra</td>
<td>470.0</td>
<td>2.2%</td>
<td>4.4%</td>
<td>430.0</td>
</tr>
</tbody>
</table>
Vacancy rates

A comparison of the rental data in Table 5 with the corresponding vacancy rate information in Table 6 usually provides an indication of the relationship (generally expected to be inverse) between movements in median rental values and movements in vacancy rates.

An industry benchmark vacancy rate is considered to be a value of 3.0%. Vacancy rates lower than 3.0% indicate strong demand for rental accommodation, whilst rates higher than 3.0% are generally considered to reflect an oversupply of rental accommodation.

The vacancy rate in the March quarter ranged from a high of 7.1% in Darwin to a low of 1.7% in Canberra which had the tightest rental market for the quarter.

Over the March quarter, the vacancy rate decreased in most capital cities (Melbourne, Hobart, Darwin and Canberra). It remained steady in Sydney and Brisbane and increased in Perth.

The weighted average vacancy rate for the eight capital cities remained steady on 2.9% during the March quarter, the same as the last quarter and the corresponding quarter in the previous year.

Chart 6: Weighted average quarterly vacancy rate

Table 6: Vacancy Rates (all rented dwellings)

<table>
<thead>
<tr>
<th>Capital City</th>
<th>Quarterly %</th>
<th>Quarterly Change (ppts)</th>
<th>Annual Change (ppts)</th>
<th>(Trend) Vacancy Rate %</th>
<th>Quarterly Change (ppts)</th>
<th>Annual Change (ppts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>1.9%</td>
<td>0.0</td>
<td>0.2</td>
<td>1.9%</td>
<td>0.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>Melbourne</td>
<td>2.3%</td>
<td>-0.1</td>
<td>-0.8</td>
<td>2.5%</td>
<td>0.0</td>
<td>-0.5</td>
</tr>
<tr>
<td>Brisbane</td>
<td>3.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>3.2%</td>
<td>0.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Adelaide</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Perth</td>
<td>6.5%</td>
<td>0.1</td>
<td>0.1</td>
<td>6.4%</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Hobart</td>
<td>2.3%</td>
<td>-0.1</td>
<td>-0.4</td>
<td>2.4%</td>
<td>0.0</td>
<td>-0.5</td>
</tr>
<tr>
<td>Darwin</td>
<td>7.1%</td>
<td>-0.7</td>
<td>-1.6</td>
<td>7.0%</td>
<td>-0.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>Canberra</td>
<td>1.7%</td>
<td>-0.5</td>
<td>-0.1</td>
<td>1.9%</td>
<td>0.0</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

Source: REI surveys of Real Estate Agent Property Managers.

Note: For Sydney, Brisbane, Darwin, Adelaide, Melbourne and Canberra, vacancy rates are measured at the close of the quarter. For Hobart and Perth an average vacancy rate over the quarter is used. Vacancy rates are only broad indicators of the “true” vacancy rates at any particular point in time. The vacancy rates are aggregate values across all rented properties (no distinction is made between specific vacancy rates for houses and other dwellings), and these very broad indicators are compared with median rents derived from large numbers of rented properties. Vacancy rates are useful indicators of the current availability of rental accommodation, but the expected inverse relationship between vacancy rates and median rents is not always apparent from the data.
Over the March quarter, the median house price for Canberra decreased to $594,500, a decrease of 4.9% over the quarter but an increase of 4.3% over the previous year.

Median house prices decreased in all zones over the quarter except for Outer South. Decreases ranged from a decrease of 16.0% in Inner Central to a decrease of 1.4% in West and North.

In the 12 months to the March quarter 2017, the median house price increased in Outer South (15.6%) and West and North (2.0%) but decreased in Inner South (-14.8%) and Inner Central (-14.8%).

Over the March quarter, the median price for other dwellings in Canberra decreased to $426,000, a decrease of 3.2% over the quarter and decreased by 0.7% compared to the March quarter of the previous year.

Inner Central (-3.7%) and West and North (-2.5%) contributed to this quarterly decrease while the median price for other dwellings increased in Outer South (2.6%) and Inner South (1.1%) over the quarter.

In the 12 months to the March quarter 2017, the median price for other dwellings increased in Outer South (2.6%) and West and North (1.3%) but decreased in Inner Central (-5.1%) and Inner South (-3.7%).
Over the March quarter, the median rent for three-bedroom houses in Canberra increased to $470 per week, an increase of 2.2% over the quarter and an increase of 4.4% over the previous year.

Over the quarter, the median rents for two-bedroom and three-bedroom houses in Inner Central had the largest increases, 9.9% and 11.5% respectively. Only the median rents for two-bedroom houses in Inner South and three-bedroom houses in the Outer South decreased, by 7.6% and 1.1% respectively.

Over the past 12 months the median rents for all sizes of houses increased in all zones, ranging 2.3% for four-bedroom houses in Outer South to 19.0% for two-bedroom houses in Inner Central.

Over the March quarter, the median rent for two-bedroom other dwellings in Canberra increased to $430 per week, an increase of 7.5% over both the quarter and compared with the March quarter last year.

Table 9: Australian Capital Territory house rents

<table>
<thead>
<tr>
<th>City/Zone</th>
<th>No. of bedrooms</th>
<th>Median $ per week</th>
<th>Quarter % change</th>
<th>Annual % change</th>
<th>Lower quartile $ per week</th>
<th>Upper quartile $ per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Central</td>
<td>2 b/r</td>
<td>500.0</td>
<td>9.9%</td>
<td>19.0%</td>
<td>415.0</td>
<td>550.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>580.0</td>
<td>11.5%</td>
<td>11.5%</td>
<td>480.0</td>
<td>680.0</td>
</tr>
<tr>
<td></td>
<td>4 b/r</td>
<td>780.0</td>
<td>4.0%</td>
<td>5.1%</td>
<td>650.0</td>
<td>995.0</td>
</tr>
<tr>
<td>Inner South</td>
<td>2 b/r</td>
<td>392.5</td>
<td>-7.6%</td>
<td>n/a</td>
<td>310.0</td>
<td>430.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>490.0</td>
<td>2.1%</td>
<td>6.5%</td>
<td>450.0</td>
<td>530.0</td>
</tr>
<tr>
<td></td>
<td>4 b/r</td>
<td>620.0</td>
<td>1.6%</td>
<td>12.7%</td>
<td>600.0</td>
<td>720.0</td>
</tr>
<tr>
<td>West and North</td>
<td>2 b/r</td>
<td>395.0</td>
<td>1.9%</td>
<td>10.4%</td>
<td>370.0</td>
<td>405.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>450.0</td>
<td>0.0%</td>
<td>4.7%</td>
<td>420.0</td>
<td>485.0</td>
</tr>
<tr>
<td></td>
<td>4 b/r</td>
<td>577.5</td>
<td>5.0%</td>
<td>5.0%</td>
<td>530.0</td>
<td>635.0</td>
</tr>
<tr>
<td>Outer South</td>
<td>2 b/r</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>435.0</td>
<td>-1.1%</td>
<td>4.8%</td>
<td>410.0</td>
<td>480.0</td>
</tr>
<tr>
<td></td>
<td>4 b/r</td>
<td>550.0</td>
<td>0.0%</td>
<td>2.3%</td>
<td>505.0</td>
<td>625.0</td>
</tr>
</tbody>
</table>

Table 10: Australian Capital Territory other dwellings rents

<table>
<thead>
<tr>
<th>City/Zone</th>
<th>No. of bedrooms</th>
<th>Median $ per week</th>
<th>Quarter % change</th>
<th>Annual % change</th>
<th>Lower quartile $ per week</th>
<th>Upper quartile $ per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Central</td>
<td>1 b/r</td>
<td>435.0</td>
<td>3.6%</td>
<td>10.1%</td>
<td>390.0</td>
<td>480.0</td>
</tr>
<tr>
<td></td>
<td>2 b/r</td>
<td>500.0</td>
<td>4.2%</td>
<td>4.2%</td>
<td>420.0</td>
<td>575.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>600.0</td>
<td>-7.7%</td>
<td>1.3%</td>
<td>500.0</td>
<td>785.0</td>
</tr>
<tr>
<td>Inner South</td>
<td>1 b/r</td>
<td>310.0</td>
<td>-11.4%</td>
<td>3.3%</td>
<td>250.0</td>
<td>350.0</td>
</tr>
<tr>
<td></td>
<td>2 b/r</td>
<td>380.0</td>
<td>-2.6%</td>
<td>3.4%</td>
<td>350.0</td>
<td>430.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>450.0</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>West and North</td>
<td>1 b/r</td>
<td>330.0</td>
<td>1.5%</td>
<td>6.5%</td>
<td>320.0</td>
<td>360.0</td>
</tr>
<tr>
<td></td>
<td>2 b/r</td>
<td>390.0</td>
<td>0.0%</td>
<td>5.4%</td>
<td>360.0</td>
<td>410.0</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>450.0</td>
<td>2.3%</td>
<td>7.1%</td>
<td>420.0</td>
<td>480.0</td>
</tr>
<tr>
<td>Outer South</td>
<td>1 b/r</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>2 b/r</td>
<td>375.0</td>
<td>-7.4%</td>
<td>-3.2%</td>
<td>350.0</td>
<td>427.5</td>
</tr>
<tr>
<td></td>
<td>3 b/r</td>
<td>395.0</td>
<td>-1.3%</td>
<td>-1.9%</td>
<td>390.0</td>
<td>440.0</td>
</tr>
</tbody>
</table>
Residential investment property market

Tables 39 and 40 report residential property investment yields and returns before tax based on net rental income, i.e. median rent adjusted downward by 20% to take into account costs including maintenance, insurance and agency fees that are associated with ownership of an investment property. Yields and returns are reported as percentages. Annual yield is calculated by dividing net annual rental income by the overall median price, and is provided for three-bedroom houses and two-bedroom other dwellings. It does not take capital growth into account.

Quarterly, annual and average returns incorporate the growth in overall median prices (capital growth) together with the percentage returns derived from net rental income for three-bedroom houses and two-bedroom other dwellings. Capital growth is derived for each capital city from quarterly median dwelling prices. This information should be used for indicative purposes only. Preliminary sales data is not revised. REIA has discontinued the Residential Investment Property Index (RIPI) and the Average Annual Return since March 1982/1988 provided in earlier editions of Real Estate Market Facts.

Table 39: Residential investment property returns: 3 bedroom houses

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane</th>
<th>Adelaide</th>
<th>Perth</th>
<th>Canberra</th>
<th>Hobart</th>
<th>Darwin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’16 to Mar ’17</td>
<td>1.7%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.0%</td>
<td>3.3%</td>
<td>3.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Quarterly Return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec ’16 to Mar ’17</td>
<td>3.8%</td>
<td>8.1%</td>
<td>-1.2%</td>
<td>-0.5%</td>
<td>-2.0%</td>
<td>-4.1%</td>
<td>-3.8%</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Annual Return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’16 to Mar 17</td>
<td>18.5%</td>
<td>20.3%</td>
<td>6.5%</td>
<td>4.1%</td>
<td>-0.7%</td>
<td>7.5%</td>
<td>10.2%</td>
<td>-5.4%</td>
</tr>
<tr>
<td><strong>5 year average annual return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’12 to Mar ’17</td>
<td>13.9%</td>
<td>9.6%</td>
<td>6.7%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>6.5%</td>
<td>6.3%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>10 year average annual return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’07 to Mar ’17</td>
<td>10.1%</td>
<td>9.9%</td>
<td>7.6%</td>
<td>7.7%</td>
<td>5.7%</td>
<td>7.9%</td>
<td>7.3%</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Table 40: Residential investment property returns: 2 bedroom other dwellings

<table>
<thead>
<tr>
<th></th>
<th>Sydney</th>
<th>Melbourne</th>
<th>Brisbane</th>
<th>Adelaide</th>
<th>Perth</th>
<th>Canberra</th>
<th>Hobart</th>
<th>Darwin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Yield</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’16 to Mar ’17</td>
<td>3.0%</td>
<td>3.0%</td>
<td>4.1%</td>
<td>3.6%</td>
<td>3.4%</td>
<td>4.2%</td>
<td>4.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Quarterly Return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec ’16 to Mar ’17</td>
<td>3.9%</td>
<td>4.6%</td>
<td>-1.0%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>1.3%</td>
<td>6.7%</td>
<td>-9.6%</td>
</tr>
<tr>
<td><strong>Annual Return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’16 to Mar 17</td>
<td>14.2%</td>
<td>13.9%</td>
<td>4.5%</td>
<td>6.7%</td>
<td>-1.3%</td>
<td>6.0%</td>
<td>15.5%</td>
<td>-10.8%</td>
</tr>
<tr>
<td><strong>5 year average annual return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’11 to Mar ’17</td>
<td>13.1%</td>
<td>7.5%</td>
<td>5.8%</td>
<td>5.6%</td>
<td>4.0%</td>
<td>4.7%</td>
<td>5.4%</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>10 year average annual return</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar ’07 to Mar ’17</td>
<td>10.8%</td>
<td>9.0%</td>
<td>7.7%</td>
<td>8.0%</td>
<td>6.3%</td>
<td>7.3%</td>
<td>6.8%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>
Some lawyers do this much conveyancing each week...

...we do this much

Conveyancing, it’s what we do.
Training

What’s on at REIACT?

Continued Professional Development (CPD) 2017
Attention – All Residential, Retail, Commercial & Real Estate Professionals

Course Overview

Property Management - Friday 14th July 2017
At this training session we discuss and review, how to monitor and manage a lease or tenancy agreement and how to lease property. We also review Fraud Prevention best practice for Property Management, The “must has” for a Property Management file, water saving devices, notice periods required in both the Property Management and Sales and much more.

Sales - Friday 18th August 2017
At this training session we discuss and review, How to appraise property, Negotiate Effectively and Build Client Agency relationships. We also review How to complete a valid agency agreement, cooling off periods for residential agency agreements, the importance of effective cause of sale, Methods of service and delivery acceptable agency agreements, Understanding the ramifications of incorrectly serving residential agency agreements for both Sales and Property Management, Best Practice for completing of Residential Agency Agreements, The importance of capacity when signing agency agreements, the importance of material facts in Agency Practise, Work Health and Safety Act as it affects agency practice.

Auctions and Sales - Wednesday 20th September 2017
At this training session we discuss and review, how to prepare for an auction and sell and finalise by private treaty. We also review Preparation for Auction Day including WHS, Review and update of the paperwork, inc bidders guides and paddles, How to effectively delivery the Preamble including contract details at an Auction, How to manage questions from the bidders, How to manage questions from the bidders, Ensuring you know how and when to use the vendor bid, Effective strategies for getting the best result.

Legislation and Compliance - Wednesday 18th October 2017
At this training session we discuss and review how to recruit, Select and Induct Staff, Develop a strategic business plan. We also review how to use coaching models to motivate and mentor staff, How to use behavioural questioning, How to introduce continuous improvement into your workplace, How to train your team using Scripts and Dialogues, the value of an Action Plan and How to Set Goals, Identify and implement learning and development needs for individuals and groups, Develop and implement learning and development programs using appropriate delivery methods for the participants.

Trust Accounting - Wednesday 22nd November 2017
At this training session we discuss and review how to manage agency trust accounts and Manage Budgets and financial Plans. We also review Results driven negotiation clear framework to understand the negotiation process, A planning model to enable you to prepare more proactively and efficiently, The ability to recognise and deal with tactics, A stronger understanding of the psychodynamics within the negotiation process, Greater control over the whole process.

Sales and Property Management - Tuesday 5th December 2017
At this training session we discuss and review, how to market property for Lease and List property for Sale. We also review How to complete a valid agency agreement, cooling off periods for residential agency agreements, the importance of effective cause of sale, Methods of service and delivery acceptable agency agreements, Understanding the ramifications of incorrectly serving residential agency agreements for both Sales and Property Management, Best Practice for completing of Residential Agency Agreements, The importance of capacity when signing agency agreements, the importance of material facts in Agency Practise, Work Health and Safety Act as it affects agency practice.
Registration Form

**Duration:** 9.00am - 5.00pm

**Venue:** Meyer Vandenbergs Lawyers Training Room  
Level 2, 121 Marcus Clarke Street  
CANBERRA ACT 2601

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Date</th>
<th>Topic</th>
<th>Date</th>
<th>Topic</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
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<td>Friday 14th July 2017</td>
<td>Property Management</td>
<td>Friday 18th August 2017</td>
<td>Sales</td>
<td>Wednesday 20th September 2017</td>
<td>Auctions and Selling</td>
<td>Wednesday 18th October 2017</td>
<td>Legislation and Compliance</td>
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**Prices Include Catering Costs**

<table>
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<tr>
<th></th>
<th>REI Member Rate</th>
<th>Non-member Rate</th>
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</thead>
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<tr>
<td>ACT only</td>
<td>$295.00pp inc GST</td>
<td>$383.50pp inc GST</td>
</tr>
<tr>
<td>NSW only</td>
<td>$195.00pp inc GST</td>
<td>$253.50pp inc GST</td>
</tr>
<tr>
<td>ACT and NSW</td>
<td>$395.00pp inc GST</td>
<td>$513.50pp inc GST</td>
</tr>
</tbody>
</table>

Contact us now for more information on the above courses: Ph: 02 8005 1292  •  Email: clientcare@realmastery.com.au

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Surname:  
Contact Ph:  
Email:  
Office:  
REI ACT Member: Y/ N

Delivered via Blended Learning, RTO partner issuing Statement of Attainment and CPD Certificate of attendance is:  
The NSW Real Estate Training College RTO ID: 91003  
CPD Category 2 and Category 3
STATE OF THE MARKET:
Canberra, are we at the start of an infrastructure led boom?

The API and REIACT are pleased to present this year’s State of the Market: Canberra, are we at the start of an infrastructure led boom?

Join us for this not to be missed breakfast event and hear from two highly influential professionals in the property industry.

DATE Thursday 27 July 2017
TIME 7:00AM Registrations open — tea and coffee served
9:30AM Expected close
VENUE National Gallery of Australia, Gandel Hall, Parkes Place, Canberra ACT 2600
CPD POINTS Attendance at this event accrues 2 CPD points
COST API Members $100
REIACT Members $100
API Students $75
Non-Members $125

REGISTRATIONS CLOSE THURSDAY 20 JULY 2017

COMMERCIAL — NOW WE ARE PART OF THE WORLD MARKET, HOW DO WE STAY THERE?

Paul Powderly

Paul Powderly is the State Chief Executive Officer of Colliers International and a real estate professional with 29 years’ experience in both the commercial and residential development sector of the market.

Paul has been intimately involved in ten (10) major office developments totalling 210,000 square metres and consulted on in excess 400 office and residential development projects.

More recently he has headed Colliers International Commonwealth Government business before expanding the business and adding project services and Government consulting to the Canberra business.

His passion for the Canberra Real Estate market is evident by his knowledge and his willingness to provide guidance on market directions and trends.

REIACT.COM.AU

RESIDENTIAL — THE GROWING DIVIDE: TRADITIONAL SUBURBAN BLOCKS VS HIGH DENSITY UNITS

Nicola Powell

Dr Nicola Powell is a Data Scientist for Allhomes / Domain Group.

Her key objective is to create factual data driven conversations across all media channels.

Nicola provides regular property commentary for local and national media outlets including digital, print, television and radio. Her passion is translating data to digestible consumer friendly columns. Within her career she has published numerous academic and interest papers. She is quickly establishing a name as a notable property commentator in Australia.

Greg Cummins — President, API — Facilitator

Greg has worked in the property industry in Canberra since he came here for 4 months in 1983. Though he is now a Director of Knight Frank Valuation Canberra the largest commercial property valuation company in the ACT he has previously has a wide variety of roles in the industry. Greg spent 10 years selling residential property, sold and leased commercial and industrial properties throughout the region, additionally he has previously managed one of the largest privately owned commercial property portfolios in the ACT.

In his current role he focuses on residential development projects for a wide variety of diverse clientele.
Commercial — Now we are part of the world market, how do we stay there?

Paul Powderly

Paul Powderly is the State Chief Executive Officer of Colliers International and a real estate professional with 29 years’ experience in both the commercial and residential development sector of the market. Paul has been intimately involved in ten (10) major office developments totalling 210,000 square metres and consulted on in excess 400 office and residential development projects.

More recently he has headed Colliers International Commonwealth Government business before expanding the business and adding project services and Government consulting to the Canberra business. His passion for the Canberra Real Estate market is evident by his knowledge and his willingness to provide guidance on market directions and trends.

STATE OF THE MARKET: Canberra, are we at the start of an infrastructure led boom?

The API and REI.ACT are pleased to present this year’s State of the Market: Canberra, are we at the start of an infrastructure led boom?

Join us for this not to be missed breakfast event and hear from two highly influential professionals in the property industry.

REI.ACT.COM.AU

JULY 27

Nicola Powell

Dr Nicola Powell is a Data Scientist for Allhomes/Domain Group. Her key objective is to create factual data driven conversations across all media channels. Nicola provides regular property commentary for local and national media outlets including digital, print, television and radio. Her passion is translating data to digestible consumer friendly columns. Within her career she has published numerous academic and interest papers. She is quickly establishing a name as a notable property commentator in Australia.

Residential — The growing divide: Traditional suburban blocks vs high density units

Greg Cummins — President, API — Facilitator

Greg has worked in the property industry in Canberra since he came here for 4 months in 1983. Though he is now a Director of Knight Frank Valuation Canberra the largest commercial property valuation company in the ACT he has previously has a wide variety of roles in the industry. Greg spent 10 years selling residential property, sold and leased commercial and industrial properties throughout the region, additionally he has previously managed one of the largest privately owned commercial property portfolios in the ACT.

In his current role he focuses on residential development projects for a wide variety of diverse clientele.

DATE

Thursday 27 July 2017
TIME

7:00AM Registrations open — tea and coffee served
7:30AM Breakfast commences
9:30AM Expected close

VENUE

National Gallery of Australia, Gandel Hall, Parkes Place, Canberra ACT 2600

CPD

Attendance at this event accrues 2 CPD points

COST

API Members $100
REI.ACT Members $100
API Students $75
Non-Members $125

REGISTRATIONS CLOSE THURSDAY 20 JULY 2017

Please fill out the following details and return to: reception@reiact.com.au

REGISTRATION FORM

STATE OF THE MARKET: Canberra, are we at the start an infrastructure led boom?

Thursday 27 July 2017
National Gallery of Australia, Gandel Hall
Parkes Place, Canberra

REGISTRATIONS CLOSE THURSDAY 20 JULY 2017

Please fill out the following details and return to:
reception@reiact.com.au

ATTENDEE 1

Name
Company
Postal Address
Email
Phone

ADDITIONAL ATTENDEES

Name
Name
Name
Name
Name
Name
Name
Name
Name
Name

REI.ACT Member
Non-Member

REI.ACT Member
Non-Member

REI.ACT Member
Non-Member

REI.ACT Member
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REI.ACT Member
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CREDIT CARD DETAILS

Name on Card
Visa
Mastercard
Card Number
Expiry
CCV

OFFICE USE ONLY

Receipt No.
Date
Issued By
Aim for your ACT Real Estate Licence Qualification in 2017/2018

Group face to face Mentoring Sessions & **Recognition of Prior Learning available

** Conditions apply so contact us for more information

**Investment**

<table>
<thead>
<tr>
<th>REI ACT member rate</th>
<th>$4100.00pp (payment plans available)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non REI ACT Member Rate</td>
<td>$4600.00pp (payment plans available)</td>
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</table>

**Venue:** Meyer Vandenberg Lawyers Training Room Level 2, 121 Marcus Clarke Street CANBERRA ACT 2601

**Duration:** 9:00am – 5:00pm

* IMPORTANT NOTE FOR EXPERIENCED AGENTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Date (tick which date you will attend)</th>
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<tbody>
<tr>
<td>INTRODUCTION DAY – Overview of the programme &amp; assessments, Prospecting tools for Sales &amp; Property Management</td>
<td>☐ Monday 3rd July 2017 ☑ Friday 2nd February 2018</td>
</tr>
<tr>
<td>PROPERTY MANAGEMENT</td>
<td>☑ Friday 14th July 2017 ☐ Wednesday 21st February 2018</td>
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<tr>
<td>PROPERTY MANAGEMENT PART 2</td>
<td>☐ Monday 31st July 2017 ☑ Monday 5th March 2018</td>
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<tr>
<td>SALES</td>
<td>☑ Friday 18th August 2017 ☐ Thursday 15th March 2018</td>
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<tr>
<td>SALES PART 2</td>
<td>☐ Wednesday 6th September 2017 ☑ Thursday 29th March 2018</td>
</tr>
<tr>
<td>AUCTIONS</td>
<td>☐ Wednesday 20th September 2017 ☑ Friday 13th April 2018</td>
</tr>
<tr>
<td>LEGISLATION AND COMPLIANCE</td>
<td>☐ Wednesday 18th October 2017 ☑ Friday 18th May 2018</td>
</tr>
<tr>
<td>TRUST ACCOUNTING</td>
<td>☑ Wednesday 22nd November 2017 ☐ Friday 8th June 2018</td>
</tr>
<tr>
<td>PROPERTY MANAGEMENT AND SALES</td>
<td>☐ Tuesday 5th December 2017 ☑ Wednesday 27th June 2018</td>
</tr>
<tr>
<td>OVERVIEW DAY - Review of key Legislation, review of sales &amp; property management checklists &amp; procedures</td>
<td>☐ Monday 18th December 2017 ☑ Wednesday 4th July 2018</td>
</tr>
</tbody>
</table>

Your Registration for the Licence Course Includes an Individual LinkedIn Profile.

First Name: 
Surname: 
Contact Ph: 
Email: 
Office: 
REI ACT Member: Y/ N

We are here to answer your questions and assist you! Please contact 02 8005 1292

RTO partner issuing Statement of Attainment is: The NSW Real Estate Training College RTO ID: 91003
A100 SCA NATIONAL INTRODUCTION TO LIVING & WORKING IN THE STRATA COMMUNITY

1ST - 3RD AUGUST 2017
(INDEPENDENT STRATA MANAGEMENT, CANBERRA)

This comprehensive National Strata Community Management course provides a practical overview for new managers, is an essential review for experienced managers. As a participant you will receive a 400-page manual that is filled with many sample forms and time-saving tips for working with homeowners, managers, committees, sub committees and other industry professionals. Successful completion of this course is the first step in obtaining a professional industry accreditation. The A100 is a prerequisite for entering the SCA Education pathway for your professional development.
Date: Tuesday 1st August to Thursday 3rd August 2017

RSVP: COB Friday 21st July 2017 or until sold out

Venue: Independent Strata Management
Level 2, 91 Northbourne Avenue, TURNER 2612

Time: 9.00am – 3.00pm each day, with the option to stay in the classroom on day 3 to complete the online exam, alternately you have 72 hours in which to complete the exam away from the classroom.

Trainer: All courses are facilitated by Qualified Strata Industry and Industry Specialist Trainers.

Email: education@stratacommunity.org.au

Materials to bring
- Course Manual will be provided at the venue.
- BYO Pens of different colours and highlighters.
- Morning tea and lunch will be provided.
- Laptop with own internet connection for on-line exam after course on day 3. (Best format for the exam is Google Chrome)

Assessment
- On-line multiple choice question exam at the completion of the course on day 3
- Certificate of Achievement
- Prerequisite for the SCA Accreditation Pathway – new entrants

Course Cancellation Policy: (please read this carefully)

The cancellation policy for the A100 is as follows:
1. If you are unable to attend the course you are booked into and wish to transfer to the next available course or send another staff from your office and your notification has been sent more than seven (7) days prior to the date of the course there will be a $50.00 administration fee applied for the transfer. The registration may be transferred two times only.

2. If you are unable to attend the course and your notification has been sent less than seven (7) days prior to the commencement of the course there will be NO REFUND, this also applies for no shows.

All Cancellations must be in writing and sent to: education@stratacommunity.org.au. By registering for the course it will be understood that you have agreed to this policy.
Course Overview

Day 1.

Module 1 Legal Basis for Community Associations

- The legal nature of a strata community, including the scope and limits of its authority within the industry
  *(Legal Basis for Strata Community—Lesson 1)*
- General meetings – Lesson 2
- The effective use of committee/board meetings for decision-making
  *(Committee/Board Meetings and Decision Making — Lesson 3)*
- How to develop appropriate By – Laws and their enforcement *(Rule Development and Enforcement—Lesson 4)*

Day 2.

Module 2 Community Management & Leadership

- Your role and responsibilities as a manager in relation to the roles and responsibilities of your community’s owners and volunteer leaders *(Strata Community Management — Lesson 1)*
- Industry Code of Conduct and Ethics *(Ethics - Lesson 2)*
- Contracting (Lesson 3)
- Risk Management & Insurance (Lesson 4)

Day 3.

Module 3 Financial Management & Facilities Maintenance

- Financial Statements, Audits, Income Taxes, and Investments—Lesson 1
- Collecting Levies—Lesson 2
- Budgets and Sinking Fund—Lesson 3
- Maintenance (Lesson 4)

Review of the three days of learning and an on-line multiple choice questions exam.
Protect your client’s rental property and income

Award winning landlord insurance from $1 a day*

Terri Scheer is Australia’s leading landlord insurance specialist, offering protection for your client’s rental property from risks that standard building and contents insurance may not cover.

- Loss of rent
- Malicious and accidental damage by tenants
- Theft by tenants
- Flood, storm and water damage
- Damage by pets
- May be fully tax deductible

Call 1800 804 016 or visit terrischeer.com.au

*Across Australia, 82% of Terri Scheer customers paid $1 or less a day for their Landlord Insurance policy. Premium is based on all Terri Scheer Landlord Insurance policies purchased or renewed in the 24 months to 01/05/14 – 31/05/16, inclusive of taxes. Conditions and eligibility criteria apply. Consult your tax advisor in relation to tax deductibility of premium. Insurance issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance. In arranging your insurance, Terri Scheer Insurance Pty Ltd ABN 76 070 874 798 AFSL 218585 acts under authority given to it by Vero Insurance. Read the Product Disclosure Statement before buying this insurance and consider whether it is right for you. Call 1800 804 016 for a copy.
### REIACT SEMINARS AND EVENTS

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<thead>
<tr>
<th>Event</th>
<th>Type</th>
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<tr>
<td>REIACT/API State of the Market</td>
<td>CPD</td>
<td>Thursday 27th July 2017</td>
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<tr>
<td>REIACT Aucioneering Championships</td>
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<td>Thursday 3rd August 2017</td>
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<tr>
<td>Principals Breakfast with the President</td>
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<tr>
<td>Guest Presenter – Dr Andrew Wilson</td>
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<td>Event Sponsor Allhomes / Domain Group</td>
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<td>Social Media and Your Marketing</td>
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<tr>
<td>What is the current lending criteria?</td>
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<td>Wednesday 30th August 2017</td>
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<td>St George Bank Presentation</td>
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<td>Australasian Aucioneering Championships - Adelaide</td>
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<td>Tuesday 5th – Thursday 7th September 2017</td>
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<td>REIACT Awards for Excellence</td>
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<td>Saturday 16th September 2017</td>
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<tr>
<td>Latest technology trends in the industry</td>
<td>CPD</td>
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<td>BAL Lawyers Seminar</td>
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<td>Wednesday 11th October 2017</td>
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<td>A career in real estate – public forum</td>
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<td>WIRE Breakfast</td>
<td>CDP</td>
<td>Wednesday 25th October 2017</td>
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<td>Principals Breakfast with the President</td>
<td>CDP</td>
<td>Wednesday 15th November 2017</td>
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<td>Event Sponsor – St George Bank</td>
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<td>REIACT Members Christmas Drinks with the Board</td>
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<td>Thursday 7th December 2017</td>
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<td>CRM and Customer Experience</td>
<td>CDP</td>
<td>Wednesday 7th February 2018</td>
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<td>Allhomes Presenter Fatek Chamma</td>
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<td>BAL Lawyers Seminar</td>
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<td>Tuesday 27th February 2018</td>
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<td>WIRE Luncheon</td>
<td>CPD</td>
<td>Wednesday 7th March 2018</td>
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<td>Principals Breakfast with the President</td>
<td>CDP</td>
<td>Wednesday 28th March 2018</td>
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<td>Event Sponsor - BAL Lawyers</td>
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<td>Mark Sumich Auction Training</td>
<td>CDP</td>
<td>Friday 6th April 2018</td>
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<td>REIACT Annual General Meeting</td>
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<td>CPD</td>
<td>Wednesday 9th May 2018</td>
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<td>WIRE Breakfast</td>
<td>CDP</td>
<td>Wednesday 23rd May 2018 rei super &amp; Allhomes</td>
</tr>
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</table>
REIACT BOARD 2017-2018

**PRESIDENT**
Michael Kumm  
P  02 6295 2455  M  0402 943 191  
E  mkumm@peterblackshaw.com.au

**DEPUTY PRESIDENT**
Stan Platis  
P  02 6209 1502  
E  stan@independent.com.au

**TREASURER**
Scott Hammond  
M  0409 120 176  
E  scott@reiaactaccountants.com.au

**DIRECTOR**
Craig Bright  
P  02 6239 4555  M  0419 394 555  
E  craig@brightpartners.com.au

**DIRECTOR**
Michelle Tynan / Stephanie Lynch  

**AWARDS**
Stan Platis  

**DIRECTOR**
Craig Bright / Michelle Tynan / Stephanie Lynch  

**TRAINING**
Frank Pompeani  

**AUCTION**
Peter Walker  

**FINANCE**
Scott Hammond  

**CORPORATE GOVERNANCE**
Michael Kumm  

**COMMERCIAL**
Andrew Stewart

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**contact REIACT**

**PHONE:**  02 6282 4544
**FAX:**  02 6285 1960
**EMAIL:**  reception@reiact.com.au
**ADDRESS:**
Real Estate House  
Ground Floor  
16 Thesiger Court, Deakin West  
PO Box 22  
Deakin West ACT 2600

**www.reiact.com.au**

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**2017-2018 COMMITTEE STRUCTURE**

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<thead>
<tr>
<th>PROPERTY MANAGEMENT</th>
<th>Craig Bright</th>
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<tbody>
<tr>
<td>PROFESSIONAL PRACTICES</td>
<td>Craig Bright / Michelle Tynan / Stephanie Lynch</td>
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<td>AWARDS</td>
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