

REIQ JOURNAL

FOR MEMBERS OF THE REAL ESTATE INSTITUTE OF QUEENSLAND

REIQ MEMBER MATT LANCASHIRE SELLS BRISBANE'S MOST EXPENSIVE HOME

See inside Brisbane's first \$18 million property. Page 44

Agent-branded websites - crucial selling tool or vanity tool? Page 18

Agency Advice: Why bigger deposits are better. Page 29

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

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How do you feel when you're forced to do training on a topic that's completely irrelevant to you?

A WORD FROM THE CHAIRMAN

With this edition of the Journal digging into the world of commercial real estate, I had a question for all our members who DON'T sell residential real estate. Did you enjoy the registration course you had to complete to join this profession? The one that's 95% about res sales so, regardless of your preferred specialty in property, you could get a qualification as a "registered salesperson". Even though you wanted to lease retail space. Or sell businesses. Or act as a buyer's agent.

My view? This was a waste of your time and your money.

I know there's strong industry support for keeping an educational requirement as our 'ticket to ride' in real estate. I'm really encouraged that many of you support my preference to increase the qualification and ensure better trained graduates. But the content for the rego course is prescribed by government so we need to ask them for a change that has industry-wide support.

One of the reasons for this column is to allow me to float ideas with you and hear your feedback. So how about this one?

There are seven modules in the current registration course so why wouldn't we ask government to keep, say three, as core units, with the broad topics that apply to most, if not, all of us? And then the final four are modified to be relevant only to your preferred area of practice?

If you want to be a property manager you'd complete the PM course, then qualify as a "registered property manager". And so on for business broking, sales, commercial property (leasing and sales together or split?) etc. You get the idea.

No-one thinks the rego course is enough to bring a new recruit fully up to speed and, as well as on-the-job training you'll do, the REIQ has



a number of add-on courses to get them more work-ready. But this change could go some way to at least helping to raise their knowledge in areas outside residential sales. To ensuring they turn up on their first day with something more than a piece of paper and raging enthusiasm.

Yes, someone changing streams later in their career would need to go back and do more training. It's not a huge

number that do this but maybe they could use their industry experience and "demonstrated competence" to fast-track some of the training. We don't want more road-blocks for government issuing certificates, so maybe the change of job can happen immediately provided they complete the course update within 3-6 months?

This is a request to give me your thoughts. Crackpot rubbish or sheer genius – I'd love to hear your views. I'm on robh@beesnees.com.au

Raising professionalism in real estate is a key role for the REIQ and I'd love your input on this and other ideas that might help. Let's make this happen.

Rob Honeycombe - Chairman
E: RobH@beesnees.com.au

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Moving on, looking back and preparing for the next century of real estate

A WORD FROM THE CEO

This month the REIQ is saying goodbye to its home for the past 31 years, the offices at 21 Turbo Drive, Coorparoo.

Many of our current membership will know this building as the place they started their real estate journey, with thousands upon thousands of students completing their registration and licencing qualifications here.

Many of our members have been admitted as fellows and life members of the Institute in this building.

And many more will have attended networking events here, special feature days and training events, building their professional knowledge, connecting with peers and becoming part of the fabric of this profession.

As we draw closer to moving day, the mood has grown bittersweet. Staff have been going through storage

rooms, cupboards and shelves where many of the organisation's historical artefacts are stored. Some things are long overdue to be thrown out, but others have been carefully packed into boxes to make the move to our new home.

Some of the more unusual things we have found include:

- A canister of 16mm film from the US, titled "Prospecting tips to gain listings" from 1937
- An embossed invitation to the official opening of the Turbo Drive building in 1986
- A very old electric typewriter

It's been, at times, a painstaking process, making sure that we have preserved the Institute's history. After all, it's not just the history of this organisation, but the history of Queensland's real estate profession.

According to our history book, *Deeds, Dreams and Dedications*, this building won third prize for its architectural design in 1970. In its day, this was an impressive building that was perfect for the Institute.

Over the years 21 Turbo Drive has served us well, but it now belongs to our past.

The Real Estate Institute of Queensland has enjoyed a successful century with many landmark achievements that are testament to our diligence. And as we move to our new home, we are reminded what a unique and amazing organisation this is - an organisation with an incredibly rich history and a bright and prosperous future.



Best wishes,

Antonia



Social Snapshot for March

facebook



Almost a full house today at the REIQ Experts Guide To Buying Property. Not here? Don't let FOMO ruin your day - come to our next **#free** event in September! Visit **REIQ.com** for more information! **#realestate #brisbane#queensland #property**



The volume sold at auction for the week ending 12 March 2017 reduced to \$56.5 million, compared to \$74.8 million the previous week. This shows the volatility in the size of the auction market and how the activity in this market is dependent on the type of property and its location.



Bundaberg had an extraordinary quarter with its median house price rising 14.1 per cent. Read more in the Dec 2015 quarter of the REIQ Queensland Market Monitor, **REIQ.com**.

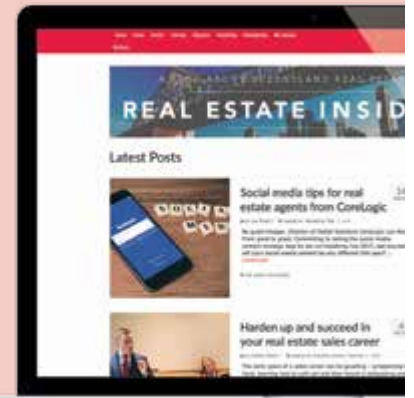


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The REIQ @TheREIQ · Mar 8
Are you a member with a zone event coming up? Get your questions ready for our experts! Digital marketing and smoke alarm Qs welcome!

The REIQ Retweeted
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@techwithtlc is passionate about digital marketing! @TheREIQ Redcliffe/Caboolture zone brekkie #ProudToBeARealEstateProfessional

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thereiq This morning Renee Rennie joined us at the REIQ Northern Suburbs Zone breakfast. Renee is the principal for the new Ray White office that she has just opened! We welcome Renee and her team to the REIQ family.

thereiq Kiah Coupland and Malcom Riley on stage at the #lovepm conference. @kiahrennee

I ❤️ PM Day - thank you @thereiq for this opportunity #selfie #reiq #FirstNational #businessdevelopment #realestate @first.national.real.estate

Latest posts:

REIA: First home buyer access to super not a radical idea

Giving first home buyers access to their own money in a superannuation fund should not be a controversial idea, according to the Real Estate Institute of Australia.

REIQ streamlines membership structure

The REIQ is moving to align individual memberships with accredited agency memberships, making both renewable on a calendar year basis.

REAL TECH 2017

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WEDNESDAY 30TH AUGUST

- Make the next big thing in technology work for you and your real estate business.
- Get what you need to succeed in this evolving digital landscape.
- Learn from the experts and get a preview of the profession's future.
- Touch, feel and see new products and services.

Don't get left behind – see how tech can give you the edge over competitors in your market.

REAL TECH 2017 will feature some of the hottest names in technology, including Facebook, Enablo and more!

Save the date - more info coming soon.

Building an agency tested these young guns

Starting your own business is a daunting prospect for anybody, let alone a 22- and 26-year-old in one of real estate's most competitive markets – the Gold Coast.

But for two young guns, Mitchell Lambert and Jesse Willcox, opening their own boutique agency, Lambert Willcox, has been the biggest risk of their lives – that has so far paid off.

"There has not been a day that we have regretted our decision," Jesse Willcox said. "We have always been confident that we were bringing something genuinely unique to the real estate market and as a result we have been assured that our decision to start a business was the right one," he said.

LW has been open for around 15 months and the agency has just completed a record month in gross commissions.

"We made more sales in the last six weeks than we did in almost the entire first year of our business!" Mr Willcox said.

For the business partners, who have been friends for many years,

attention to every very stylish detail is critical. Every property gets professional photos, floorplans and an interactive video.

"We find that people are gravitating towards LW for our creative edge, but our style has also created raving fans in the marketplace who will keep coming back," Mr Willcox said.

Mr Lambert said the duo's goals went beyond simply selling properties.

"Our ambition has never been to simply create a brand known for excellent sales results, but rather a holistically excellent company.

While both agree that the business is going from strength to strength

now, it wasn't always so rosy. For the first 12 months, like most new businesses, the break-even point seemed permanently out of reach and at times the duo wondered if they'd be able to make the rent.

"It really tested us and our friendship," Mr Lambert said. "It was through these tough times that we learnt the most about our brand and ourselves and that we would stand the test of time no matter what was over the horizon."

Mitchell Lambert and Jesse Willcox are in the running to be named REIQ Young Guns in our June Young Guns of Queensland Real Estate edition of the magazine.



shelterher

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

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

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

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

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



Young Guns



STAY TUNED FOR THE YOUNG GUNS EDITION OF THE REIQ JOURNAL.
TO BE RELEASED IN JUNE 2017.

REIQ streamlines membership and shop accounting

The REIQ is moving to align individual memberships with accredited agency memberships, making both renewable on a calendar year basis.

Previously Individual Memberships have been renewed on a financial year basis but from 1 January 2018 this move will streamline all products.

To get ready for this, when you get your next renewal notice you will have the option to renew for either six months or 18 months.

For those taking an 18 month membership, a 5 per cent discount will apply.

REIQ CEO Antonia Mercorella said the shift to calendar year membership packages helped streamline the organisation.

“This will also bring membership into line with the CPD program, which will be very helpful to the administration of both parts of the business,” she said.

“And from 1 January 2018 the REIQ will introduce more flexible payment options, such as pay by the month, which will give our members more choice when selecting the option that suits them best,” she said.

Also, from 1 July 2017 the REIQ Shop would cease offering credit facilities for products and services.

“We recognise this may cause some inconvenience, but as an organisation our resources are better spent providing valuable proactive member benefits, rather than chasing unpaid accounts,” she said.

The REIQ will continue to offer credit card and direct deposit facilities for all REIQ Shop transactions.



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Acting without appointment

BY BRIAN BAUER, EXECUTIVE DIRECTOR, OFFICE OF FAIR TRADING

Acting as an agent without being properly appointed is the quickest way to lose your entitlement to a commission.

The Office of Fair Trading (OFT) has received reports of real estate agents acting as an agent before being properly appointed by a client. Acting without a valid appointment is not only a breach of the Property Occupations Act 2014 (the Act), but also means the agent is not entitled to a commission.

The circumstances of the situations detailed in these reports usually involve a situation where an agent provides a quote to a potential vendor to act as the agent in the sale of their home. Then, before the vendor agrees and formally appoints the agent, the agent advises the vendor they have found a potential buyer and wishes to display the home. **By showing a potential buyer through the home before a valid appointment exists, the agent is committing an offence and is not entitled to commission if a sale results.**

As an agent, a valid appointment is as much about complying with the law

as it is about giving specificity to your relationship with your client.

The appointment form allows you to set out your commission, fees, and other expenses you may incur and on-charge your client for. In the simplest terms, if your appointment does not allow you to incur an expense on your client's behalf, you can't charge them for it. It is your quote and contract, all in one.

The appointment also offers a level of protection, to help ensure you receive the commission you are entitled to. Provided you are properly appointed, if you are the effective cause of a sale you are entitled to claim commission. Without a valid appointment, you could do all the legwork to facilitate a sale, only to have your vendor and buyer complete the sale privately and pay no commission.

Earlier in the year, the OFT conducted a proactive compliance operation in the property industry, targeting in particular those licensees with a history of non-compliance. The operation looked specifically at the proper completion of contracts and approved forms, including appointments.

Just over 100 licensees were spot-checked. Worryingly, over a third were subject to some form of enforcement action for breaches of the Act, with more than 10 per cent cited for acting without a valid appointment.

This type of compliance operation will be repeated in the future to ensure the level of compliance is improving.

Part 4 of the Act provides the requirements for property agent appointments, with penalties of up to \$24,380.

For more information about appointments, visit www.qld.gov.au/fairtrading or get in contact with the REIQ.



QBCC audits tradies' work, launches register to help with Debbie clean-up

Property managers in the Cyclone Debbie disaster zone can find a licenced tradie quickly with the help of the QBCC Building and Tradie Assistance Register.

The database provides contact details for thousands of licenced tradies throughout Queensland, along with a list of the services they provide.

A QBCC spokesperson said the list was fully vetted.

"The Government would like to encourage the use of local tradies wherever possible and this register will help those who are looking for someone to help with repairs find a licenced tradie fast," the spokesperson said.

To access the register, visit the QBCC website:
<https://my.QBCC.Qld.Gov.Au>

Principals and property managers are also advised that in the wake of Cyclone Debbie, the QBCC will begin conducting audits of tradie works to ensure correct paperwork has been filed on all Notifiable Works.

Notifiable Work is plumbing and drainage work which be performed by a licensed plumber or drainer without requiring local government permits or inspections. Notifiable Work requires notification to the Queensland Building and Construction Commission (QBCC). For real estate agents, notifiable work covers a lot of renovation and general maintenance work.

Once a contractor completes notifiable work, they must notify the QBCC by lodging a Form 4 within 10 business days of completing the work and must give the property manager a copy of the Form 4.

To protect public health and safety

and ensure ongoing compliance within the plumbing and drainage industry, the QBCC performs random Notifiable Work audits.

In some instances, official QBCC officers will attend real estate agencies and request copies of all invoices issued for plumbing and drainage work performed on their rental properties over a certain period of time. The real estate agents then provide this information to the QBCC, who review the invoices and confirm that the work was completed by a licensed person, and that any

paper work (such as a notifiable work Form 4) has been correctly lodged.

The real estate agents are not liable for any subsequent action, they may be advised if a company does not hold the appropriate licence, however, the QBCC mostly deals with the person who performed the work and works with them to reach compliance.

Real estates should be aware that if they organise the work to be completed, that they receive a copy of the Form 4 at the completion or invoicing of the work.



Realworks adds templates for Related Forms

While you've been on your Easter break, we've been ferreting away in here... tweaking things... to make your forms life better.

Okay, we *did* take a break over Easter, but we've come back with a great new feature in Realworks (your forms and agreement tool).

This is how it went down

We were chatting amongst ourselves... talking about Realworks. Like, what *else* would we be talking about? Mulling over what we've achieved and what great innovators we are.

It sounded something like this:

People create form templates in Realworks – it saves them time and they like it.

People also use the Related Forms feature in Realworks, where they can transfer common information to Related Forms, like a Contract Form

from an Appointment Form – it saves them time and they like it.

(Bet you wish you were invited to our Easter feast!)

Then one of us said... it *might* have been an attempt at humour... What if we designed a feature that could create templates for Related Forms?

Related Forms to Templates?? No-one laughed, but suddenly there was a lot of excitement in the room.

Then a different one of us articulated our excitement:

You mean... Specific information from a form, transferred to another type of related form will include default information that has been set up in a template?

Yes!!!! We all exclaimed together (a lot).

Great idea!!!! (ditto)

So we did it.

This is where we're at now:

The process is simple. When creating a

new Related Form, you will be provided with an option to select the type of Related Form you want to create and given the *additional* option of selecting from your created templates!

Two extra clicks to have standard information included in your form – it will save you time and you'll like it.

Anita O'Connor
The Form Guru.

OFT issues asbestos agency warning

The Queensland Office of Fair Trading (OFT) has issued a warning about Brisbane-based company Asbestos Audit Pty Ltd and its director, Mark Dougal Rentoul.

Mark Rentoul is the sole director of Asbestos Audit Pty Ltd, who conducts asbestos testing for residential and commercial sites, including local councils. Testing is done by taking samples from buildings and sending them to an independent laboratory to confirm the presence of asbestos.

The OFT began investigating after receiving a complaint from a regional council alleging that Asbestos Audit Pty Ltd had invoiced it for testing a number of samples that had not actually been sent to a laboratory.

Further investigations showed that Asbestos Audit Pty Ltd was consistently invoicing for samples taken but not tested. The original complainant had been invoiced for asbestos analysis of 178 samples but only 60 had been tested. A second organisation had only 101 samples tested but was invoiced for analysis of 447 samples.

The OFT is aware of businesses with 700 locations which have had more than \$1 million of work conducted by Asbestos Audit. Another organisation in NSW had previously engaged Asbestos Audit for \$1.7 million of services.

Fair Trading Executive Director Brian Bauer said consumers and businesses were warned to avoid dealing with Asbestos Audit and Mark Rentoul.

“Not only is Asbestos Audit making misleading representations about its services and accepting payment for services not delivered, but this behaviour is potentially putting people's health at risk,” he said.

Fraud charges result in prison

BY BRIAN BAUER, EXECUTIVE DIRECTOR, OFFICE OF FAIR TRADING

After a spate of recent prosecutions relating to trust account fraud, the Office of Fair Trading (OFT) is reminding real estate agents of the severe consequences of this illegal behaviour.

Throughout 2017, the OFT will continue to conduct proactive compliance operations, targeting trust account malpractice.

The OFT recently prosecuted a former Queensland real estate agent, Thien Dinh Chau (known as Tony Chau) for fraud. Mr Chau pleaded guilty and was sentenced to four years' imprisonment, to serve a minimum of 15 months, by the Brisbane District Court. The charges related to unauthorised use, withdrawal and misappropriation of rent monies.

Instead of paying property owners the rent money owing to them, Mr Chau misappropriated a total of \$237,503.90, choosing to spend it on office and personal expenses, including gambling at various Queensland casinos.

Mr Chau is just one of several real estate agents, and their employees, prosecuted by the OFT in the last year for siphoning trust account money. Regardless of whether the money is returned to the trust account later, the offences have already occurred. As with Mr Chau, the penalties are serious, and include prison time.

The excuses for malpractice and trust account fraud range from propping up struggling businesses, through to paying personal expenses, and financing gambling and drug habits.

Irrespective of the justification, would-be fraudsters need to realise the detrimental impact their actions have on the financial livelihoods of those they steal from, and the serious criminal penalties which will follow.

The result of Mr Chau's criminal proceedings should serve as a reminder to the industry that this type of behaviour is not tolerated and the OFT will vigorously pursue any trust account misappropriation to ensure consumers are protected.

To assist property agents in the handling of trust money, the OFT provides a comprehensive trust accounts guide, providing advice on:

- opening and closing trust accounts
- operating trust accounts
- receiving and paying out trust monies
- record keeping
- the auditor's role.

The booklet *'Trust Accounts: A guide for property agents, motor dealers, debt collectors and their auditors'* is available from the OFT website, www.qld.gov.au/fairtrading.



Mt Coot-tha zipline one step closer to first flight

Brisbane's Mt Coot-tha eco-adventure zipline is now a step closer to getting aerial, with Brisbane City Council formally launching the next stage of proposals for operation and maintenance of a zipline.

Lord Mayor Graham Quirk said from next week, Council would call for formal proposals from interested parties to become involved in the exciting new project.

"After calling for Expressions of Interest in October 2016, seven parties signaled their interest in becoming involved in this major tourism drawcard and Council is eager to see formal proposals," Cr Quirk said.

"Based on this interest, Council will now issue a request for detailed proposals as a public tender, and a successful tender will be chosen to construct the zipline for a 2019 launch.

"The zipline will provide a unique eco-adventure experience, providing visitors to Brisbane with a variety of

outdoors experiences at Mt Coot-tha, including the Botanic Gardens, walking trails, picnic areas and the Summit.

"A zipline will not only provide a unique view of the Mt Coot-tha Forest, but depending on the final route, could offer views of the D'Aguilar Range, Glass House Mountains, the city and Moreton Bay.

Cr Quirk said one of the benefits of the Mt Coot-tha zipline would be its close proximity to the city centre, with zipline attractions in other cities often located more than an hour travel away from the CBD.

"The Mt Coot-tha zipline will be the most accessible zipline in Australia, providing easy access to Brisbane's seven million annual tourists, without the need to plan several hours of travel time," he said.

"Outdoor adventure tourism is one of the fastest growing tourism segments in the world, providing Brisbane a great opportunity to continue increasing numbers of overseas and domestic visitors to the city."

Cr Quirk said the location of the zipline would be dependent on detailed proposals from interested parties, with the final route to be refined to minimise impacts on the environment.

Construction of the project is expected to commence in late 2018, with the zipline to be open to the public in 2019, subject to permit and planning approvals.

Council will contribute up to \$1 million to the construction of the zipline, as part of a \$15 million investment into the Mt Coot-tha precinct over four years.

For more information about tourism and leisure opportunities at Mt Coot-tha, visit brisbane.qld.gov.au or call Council on (07) 3403 8888.





Strong year ahead for the Brisbane CBD office leasing market

WORDS BY YVETTE BURTON,
SAVILLS ASSOCIATE DIRECTOR,
RESEARCH & CONSULTANCY,
QUEENSLAND

The Brisbane CBD office leasing market is continuing to strengthen, with positive net absorption anticipated to continue during 2017. Centralisation by tenants from the suburbs to the Fringe and CBD has been an ongoing trend for the past few years, however there has been a shift with the CBD now the preferred choice as tenants seek quality of product and local amenity.

In the 12 months to March 2017, Savills identified 369,813sq m of office leases, greater than 500sq m, across the Brisbane metropolitan area, which is up 29 percent on the previous 12 months and 40 percent on the five year average of 263,431sq m.

The majority of these leases, approximately 250,571sq m of space leased, or 68 percent, were in the CBD area, which is up 53 percent or 86,706sq m on the 12 months prior, and up on the five year average of 170,408sq m.

This compares to an increase of 4,193sq m in the Fringe and a drop of 7,517sq m in the suburban office market.

Of the 250,571sq m leased in Brisbane CBD in the last 12 months, the 'Government & Community' sector was the most dominant, leasing 25 percent of the stock, or 63,173sq m. However, the 'Property & Business Services' sector recorded the highest number of transactions with 30 leasing deals.

The expanding State Government has been the catalyst of the improving occupancy levels within the CBD, and 2017 is expected to see further lift in business confidence with an increase in the number of larger tenants considering the CBD for their office space requirements.

Savills State Director of Office Leasing for Queensland, John McDonald said "when it comes to fulfilling their office requirements,

many larger organisations are now placing an increased level of importance on the quality of a space, rather than just its size and location."

"With its first rate amenity, coupled with the quality and variant of its product, the Brisbane CBD office market is fast becoming a far more compelling proposition to Fringe tenants and we've seen a move back to the CBD which will gather even more momentum in 2017."

"The recent commitment of Origin Energy to around 16,000sq m in 180 Ann Street is a prime example of a company seeking superior accommodation and the local amenity of a CBD location."

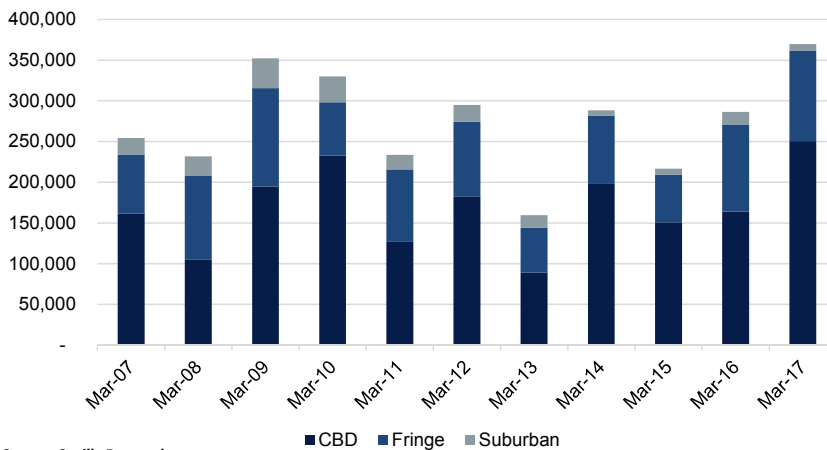
The latest Office Market Report released by the Property Council of

Australia (PCA) for January 2017, further confirms an improvement in CBD office leasing activity.

According to the PCA, the Brisbane CBD office market vacancy rate saw a reduction of 1.6 percentage points on July 2016, with the figure resting at 15.3 percent total vacancy on the back of continued positive net absorption.

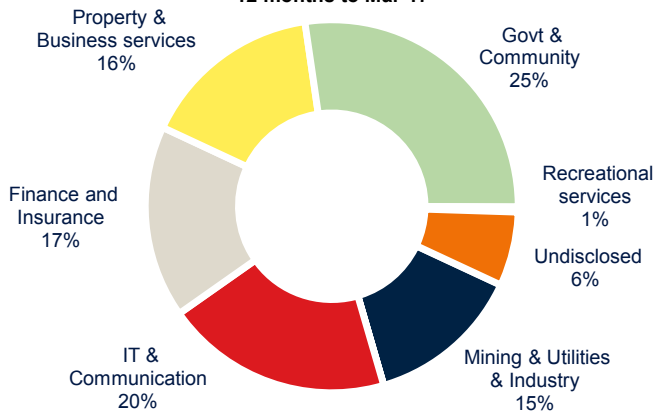
Two consecutive periods of positive net absorption, totalling around 95,000sq m is testament that the vacancy rate of the CBD office market has passed its peak and with minimal new stock coming onto the market over the next two years, Savills anticipates continued positive net absorption and a further improvement in occupancy levels across the Brisbane CBD office market in 2017.

Brisbane Metropolitan Office Leasing

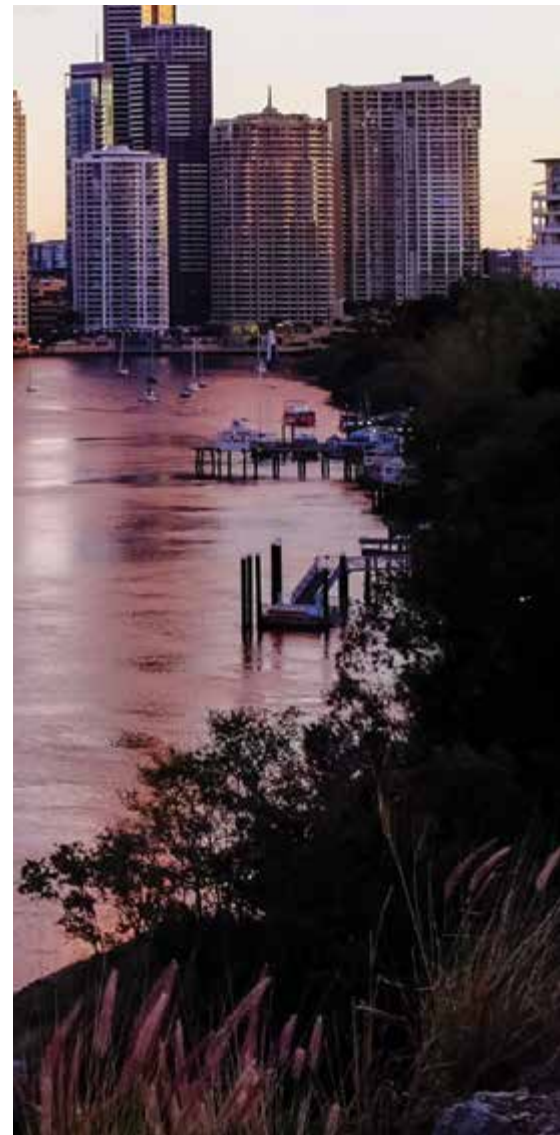


Source: Savills Research

Brisbane Office Total Reported Leased in Brisbane CBD (%) 12 months to Mar-17



Source: Savills Research





*"I (built the website) because I wanted to brand me - people deal with me."
Zac McHardy*

Self-branded agent websites - crucial selling tool or vanity exercise?

WORDS BY NICK MOORE

It's a relatively new problem for principals and sales agents. The office or agency franchise already has a tightly controlled website platform, but salespeople know that relationships are built person-to-person, not person-to-franchise.

So a growing group of agents are building their own website and branding themselves.

Sales agent Zac McHardy has mighty ambitions for his website ZacMcHardy.com.au — to beat the behemoth RealEstate.com.au in online local search results.

"So when people type in "real estate agent Aspley" or "How to sell my house Brisbane", or whatever, it's my website that is the number one

website they go to.

"And every single question ever thought of in real estate is there, answered for them."

McHardy, of Raine & Horne Chermside in Brisbane's northeast, is at the vanguard of an emerging trend whereby agents launch their own personal branding website to give themselves a digital presence beyond their franchise's or independent agency's online offering.

"I just wanted to brand me, because people deal with me," said McHardy, whose father, Kim, is principal at R&H Chermside.

Typically, on an agency website a salesperson will receive a standard head and shoulders photo with a short "About Me" biography, in which they invariably reveal how "passionate" they are about property and what an "absolute privilege" it is to sell your home and how "thrilled" they are about everything.

There's little to no scope to boost the personal brand, build authority and trust, and display local knowledge. And even if there were, it will quickly get hit with the "delete" button if the salesperson switches agencies.

"There's a lot of functions that aren't available, like putting video blogs up and consistently doing it, getting lead-generation emails sent through to us, and just to be who I want to be," McHardy said.

"It's more just to be able to customise and show people who I really am as a person."

Another to see the benefit is Michael Boor, who works for an independent South Brisbane agency and who has sold more than \$40 million in property in the past two years in Tarragindi and surrounding suburbs.

Boor launched MichaelBoorRealEstate.com.au, also powered by WordPress, just before Christmas last year, with the full support of his employer.

“It allows me to go deeper and broader in displaying my marketing expertise and local knowledge, and it’s on my timetable without putting that trouble and expense back on my employer.”

Boor publishes written and video blogs on local issues such as the contentious Tarragindi Bowls Club development, the splitter block trend and local state school catchments. And he paid a professional to write his “About Me” as a cliché-free zone.

“When vendors are doing their agent research my substantial website looks impressive by comparison. I have the space to really show who I am, what I stand for, and what I can achieve.”

Richardson & Wrench sales consultant Sue Dewar said her personal site—SueDewar.com.au – gave her a professional branding presence in her territory of Caboolture about 50km north of Brisbane.

“I do find a lot of clients find me through my website. So the combination of a national brand (R&W) plus my own personal brand does bring clients,” Dewar said.

“I use my website as a listing tool to send my vendors to, so they can check me out.

“I get the testimonials updated regularly, and also I have a link to the flood report, so I send clients there all the time to check out flood reports.”

Dewar said she was so busy selling it was a challenge finding the time to devote to her site.

“I actually could put so much more on there, but at this point I am time poor.”

R&W Caboolture director Scott Lachmund wrote on Facebook about Dewar’s website: “I’m all for agents representing themselves separately and building their own brand within a brand.”

Dewar showcases her current listings through the website and promotes her free appraisal service, and those features are on Boor’s and McHardy’s sites too.

“I do find a lot of clients find me through my website.”
Sue Dewar

Boor also offers a free .PDF download in exchange for an email address and McHardy features a “Make an Offer” page, on which buyers can submit an offer and McHardy is immediately alerted via text and email.

McHardy said he promoted this feature heavily at his Open Homes, in part to impress vendors inspecting homes for sale in their area.

He said he aimed to add a fresh blog including video once a week, which he paid to promote through social media.

“When I do what I’m supposed to do, it works really well.”

Interested in learning more? REIQ offers a specialised training course Website Woe or Website Wow in Brisbane, on the Gold Coast and the Sunshine Coast through May and June. Visit REIQ.com and go to Training and Specialised Courses to click on Technology and Digital Media.

Also, grab early bird tickets for REIQ Tech Day on August 30, where the latest innovations in technology and gadgets will be on display. Guest speakers include Google and Facebook. Visit REIQ.com for more.

Commercial market wrap

WORDS BY DANIEL BIGNOLD, CHIEF EXECUTIVE OFFICER,
COMMERCIALVIEW.COM.AU

Despite receiving a battering over the last few months from the weather the outlook for commercial property in Townsville is strong.

With a population of 200,000, Townsville is the largest city in north Queensland and the 13th largest in Australia. Located some 1300 kilometres north of Brisbane it is a popular tourist destination and a stone's throw away from Magnetic Island and the Great Barrier Reef.

The future for Townsville is bright due to its status as Northern Australia's largest general cargo and container port. It is the leading exporter of zinc, lead, sugar, fertiliser and molasses and trade is expected to increase threefold over the next 30 years. In 2015, demographer Bernard Salt forecast it to be one of Australia's fastest-growing cities with a population of 340,000 by 2050. Recent moves by the state and federal government look to be helping support Salt's projection.

Last year the Federal Government committed \$150 million to the Townsville Eastern Access Rail Corridor (TEARC) project, a proposed rail freight line which would connect the North Coast rail line directly into the Port of Townsville as well as \$75 million to the Cooperative Research Centre (CRC) for Northern Australia and \$100 million toward the \$250 million new stadium development and entertainment centre.

These commitments are helping to create jobs and enthusiasm in what is seen as an affordable area due to a much lower median house price than the capital cities. In fact properties are available in the city fringe for under \$250,000.

In particular, West End on the city fringe, is emerging as a new hot spot. Close to the CBD it has seen a number of new retail businesses including coffee houses, makeup studios and clothing stores open this year. The buzz around the \$250 million stadium development has filtered through to this area and will continue to be a catalyst for improvements to what is an historic suburb ripe for renovation and rejuvenation.

The million stadium development is currently at the planning and tender stages with construction due to commence in mid to late 2017. The commercial activity that has spun out of the development is a great boost to Townsville. In February, Townsville City Council approved Vantage on Palmer, a \$10 million mixed-use residential and commercial development, on vacant land in Palmer Street. The project from developer PDS Qld will commence stage one in September for an August 2018 completion. A further two stages are due for completion prior to opening of the stadium in 2020.

The stadium development is just one aspect of the Townsville City Waterfront Priority Development Area plan. The \$1.9 billion city makeover is designed to create a modern city space in the CBD. It is forecast that some 30,000 people will be living and working in the CBD by 2030.

The first project to be approved and completed in Townsville's 97ha Waterfront Priority Development Area, the new CQUniversity Building, was completed in just six months.



It was sold to a Sydney-based investor in March for \$12.8 million. Developer Honeycombes Property Group designed and developed the multifunctional 2592sqm education facility. CQU has a 15-year lease with three 10-year options and returns an annual net income of more than \$855,000, delivering a 6.7 per cent yield for the purchaser.

Another recent sale in Townsville is 131 Denham Street, a modern two-level office building with 2800sqm of floor space and a land area of 1952 sqm in Townsville's CBD. The property, which includes a basement carpark with parking for 60 cars and 5 storerooms, was purchased by a local investor for \$4.3 million and has a passing yield of around 8.8 per cent.

Identify the best method of outgoings recovery

WORDS BY RAUHENA CHASE, ASSOCIATE DIRECTOR – ASSET MANAGEMENT,
RAINE & HORNE COMMERCIAL BRISBANE SOUTHSIDE

In commercial lease situations, recovering outgoings can be done in one of three ways. Here is a simple guide to when each method is most suitable.

One of the main benefits of owning commercial investment property over residential property relates to the reimbursement of outgoings by the tenant to the landlord.

Outgoings is the recovery of costs from the tenant for expenses associated with the running and maintaining of a commercial property during the term of a lease.

The scope and method of recovery will be defined in the lease, and these terms may vary depending on the initial negotiations between the parties. Outgoings can include council rates, water rates, land tax, building insurance, body corporate fees, property management fees, repairs, cleaning, gardening, and maintenance/servicing (excluding capital items and development costs).

Retail leases are subject to alternative methods and conditions imposed by the Retail Shop Leases Act and specialist advice should be sought.

Commercial and industrial properties have three basic methods of recovery:

- Direct
- Net
- Gross

Direct Recovery: Directly recovering costs from the tenant, as and when they occur.

The owner or agent will receive and pay the bills, the expense is on-charged to the tenant in addition to the rent.

When is this most suitable? Generally, this is not a recommended method of recovery unless the scope of outgoings has been limited under the lease and does not warrant another method.

Net Lease: The tenant will receive a rent and outgoings charge on their monthly tax invoice.

The outgoings expense is calculated by the preparation of a budget which takes into account all likely expenses for the coming financial year.

The total budgeted expense is equally divided over the 12 month period and each month the tenant will receive a fixed outgoings plus rental charge.

At the end of the financial year a

reconciliation is undertaken that compares the actual expenses incurred against the budgeted amount and the account is adjusted if necessary.

When is this most suitable? Generally, this is recommended as the default method of recovery unless a regular and defined cash flow is critical for the owner.

Gross Lease: The outgoings expenses are included in the rent sum on the lease, the rental will be higher than that for leases where rental and outgoings are separated.

When is this most suitable? Generally, this is recommended for small-to-medium sized tenants who require certainty or for buildings that have very stable expenses. Also, note that should outgoings increase substantially during the term of the lease, the owner will have no way of recovering the increased expense amount until the lease is renegotiated at lease end.

Rauhena Chase is a member of the REIQ Commercial and Industrial Chapter, a group tasked with identifying industry issues to be addressed and also being a liaison between the REIQ and the commercial and industrial membership.

FOR LEASE! HIGHLY MOTIVATED OWNER | UNBEATABLE RENT!

The REIQ is looking for a tenant to lease its ground floor in the new Cannon Hill property.

50 Southgate Avenue offers an exclusive ground-floor tenancy of 836m² in the highly sought after Southgate Corporate Park precinct.

The tenancy has a functional fitout in place, as well as exclusive 18 car parks on site.

Staff will love the convenience of nearby amenities and services including:

- Child Care & Medical Centre
- Coffee Club & Colmslie Tavern

- Cannon Hill Retail Centre & K-Mart Plaza
- Homemaker City Cannon Hill
- Coles

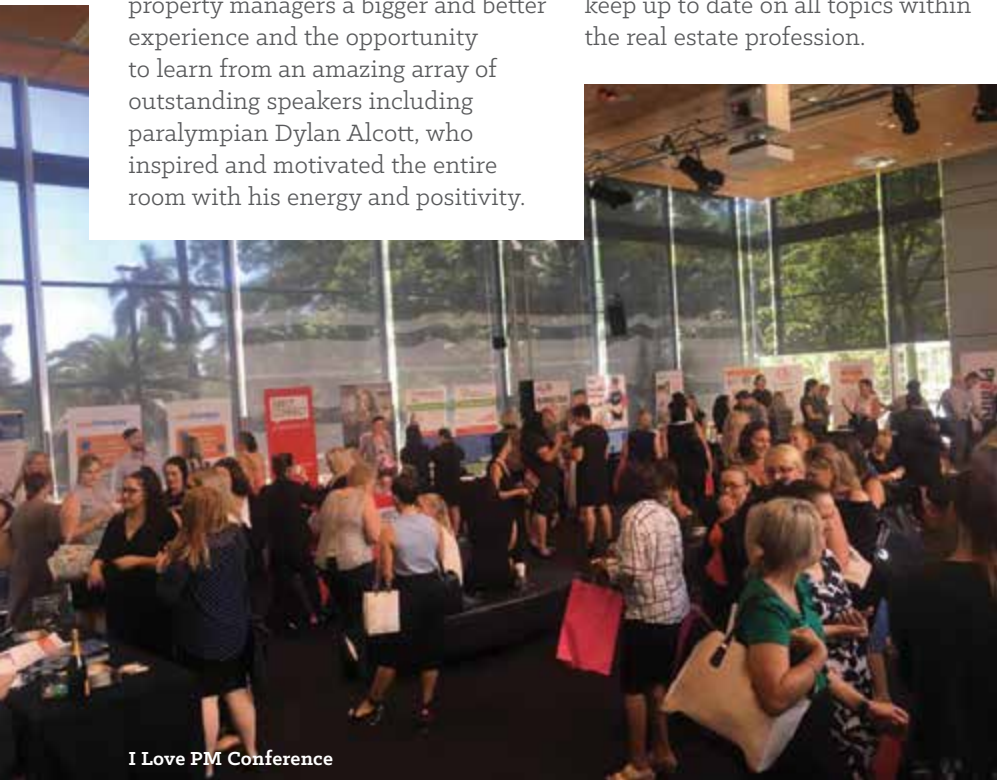
To take advantage of this opportunity, please call Oscar Bayard today: 0432 523 432.

REIQ Events

I Love PM: The end of March and beginning of April was a busy time for REIQ events! We brought back our perennially popular property management conference, this year themed I Love PM. It returned bigger and better than ever, giving our property managers a bigger and better experience and the opportunity to learn from an amazing array of outstanding speakers including paralympian Dylan Alcott, who inspired and motivated the entire room with his energy and positivity.

Zone Breakfast: Early mornings are no barrier to our eager-beaver members who have been joining us in bigger numbers than ever before for our first round of zone breakfasts in 2017! New topics and a fresh line-up of speakers has helped our members keep up to date on all topics within the real estate profession.

Sherrie Storer's Women In Real Estate breakfast: REIQ CEO Antonia Mercorella spoke as part of a panel of women working in real estate on the topic of work life balance. More than 160 women (and a few men!) attended the Blackbird Restaurant breakfast last month to hear from speakers including Marnie Seignor, Nicola Powell, Meighan Hetherington, Melina Cruikshank and our own Ms Mercorella on how to have it all (or not!).



I Love PM Conference



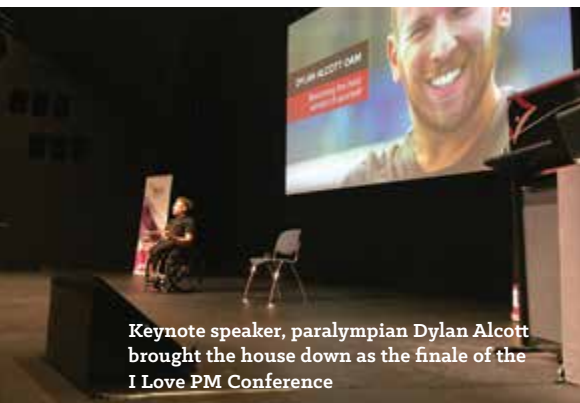
Jodie Stainton & Adam Hooley from Apmasphere



Joanna Boyd & Rhianna Higgins from Aon



Mia Kelly & Michelle Stone from EBM



Keynote speaker, paralympian Dylan Alcott brought the house down as the finale of the I Love PM Conference



Richard Johnston from Open2view



Tania Tebbit from PropertySafe



Haesley Cush, REIQ Zone Chair, Jason Bond & zone breakfast speaker Tara Christianson at Round 1 of the Northern Suburbs Zone Breakfast at the Kedron Wavell RSL Club.



Digital marketing expert Tara Christianson shares her tips with the Sunshine Coast Zone Breakfast attendees.



The REIQ welcomed a new member to the Fellowship, with Leon Kane being admitted at the Sunshine Coast Zone Breakfast. Mr Kane's daughter, Jacqueline & his father Nev, were there to congratulate him.



REIQ CEO Antonia Mercorella congratulated new member Renee Rennie on her newly opened Ray White office at the Northern Suburbs Zone Breakfast.



These eager beavers at the Sunshine Coast Zone Breakfast were: Simone Sullivan, Kim Bennett, Rebecca Schultz, Katie Wood, Amity Evans, (front row) Lee Koveskali, & Rachel Rosenberg.



At the Northern Suburbs Zone Breakfast, Propertyology's Simon Pressley & Euan Rose.



Full room for the Ipswich Zone Event Breakfast at the Brookwater Golf Club.



Women In Real Estate Breakfast organiser Sherrie Storer.



Domain Group Chief Editorial & Marketing Officer Melina Cruickshank, REIQ CEO Antonia Mercorella & Property Pursuit Director Meighan Hetherington are panelists at the Women In Real Estate Breakfast at Blackbird Restaurant.



REIQ CEO Antonia Mercorella & Com.It.Es Queensland President Mariangela Stagnitti at Sherrie Storer's Women In Real Estate Breakfast.

Rent increases – Your questions answered

WORDS BY KIM COFFEY, PROPERTY MANAGEMENT SUPPORT SERVICE

The tenant is on a periodic tenancy. Can I increase their rent?

Yes, with minimum 2 months written notice. The notice could be given to the tenant at any time, but the rent increase cannot commence sooner than 6 months after they started paying the current rent amount.

The tenant is on a fixed term tenancy. Can I increase their rent during their fixed term?

Yes but only if:

- The rent increase was included as a special term of the signed tenancy agreement from the very beginning, stating when the rent would increase and the amount of the increase or how this is to be worked out.
- Minimum 2 months written notice is provided.
- The increase does not commence sooner than 6 months after they started paying the initial (current) rent amount.

We had negotiated a three month tenancy with new tenants to move into a property. At the end of that three month agreement we are negotiating a new 3 month agreement with the same tenants at a higher rent. Is this permitted?

No. Because it is with the same tenants, the rent increase cannot commence if it is sooner than 6 months after the current rent became payable, even if the increase takes effect from one agreement to the next.

I rented the property to two tenants for a 6 month agreement. Three months later, one of the tenants has vacated, one has stayed, and a different co-tenant has been approved. Can we increase the rent?

No. The increase cannot commence sooner than 6 months after they started paying the current rent amount in situations where even one of the tenants paying the current

rent will be subject to the increase. We had previously negotiated a three month tenancy on a property. That agreement is now ending, and all of the tenants are vacating.

We have found completely new tenants to commence a new agreement. The previous tenants were only paying their rental amount for less than 6 months, but we want to charge the new tenants a higher rent than the previous tenants were paying. Can we do this?

Yes. In this case, none of the tenants paying the current rent will be subject to the increase, as they are all moving out. The higher rent will be payable by completely new tenants. You can charge the new tenants a higher rent from day one of their tenancy because they were not the tenants paying the lower rent. The higher rent is stated in item 7 of the new agreement and is payable by the new tenants from the start date of the new tenants' tenancy agreement.

The tenant is on a fixed term agreement which expires in a few days time. The owner has only just instructed me to have a new agreement signed at a higher rent. Do I have to give the tenant 2 months notice?

Not if the tenant signs a new agreement with the higher rent. The two months notice only applies to a rent increase for a periodic tenancy, or for a rent increase coming into effect during the term of a fixed term agreement. In a situation where a tenant is entering into a new fixed term at the end of their current fixed term, and the new fixed term agreement is at a higher rent, the rent increase is not occurring during the original fixed term. In these situations the RTRA Act does not require any particular period of notice to the tenant regarding the rent increase.

If the tenant signs the new tenancy agreement, then whatever rent is stated in item 7 will be payable from whatever date is stated in item 6.2, even if that is immediately. Best practice is to give the tenant as much notice as possible to increase the chance of them signing the new agreement, and to ensure that good tenants are persuaded to stay.

The tenant has been paying the same rent for at least 6 months, and is currently on a periodic agreement. The owner has instructed me to have a new fixed term agreement signed at a higher rent. Do I have to give the tenant 2 months notice?

Not if the tenant signs a new agreement with the higher rent. The two months notice only applies to a rent increase for a periodic tenancy, or for a rent increase coming into effect during the term of a fixed term agreement. In a situation where a tenant is entering into a new fixed term, and the new fixed term agreement is at a higher rent, the rent increase is not occurring during the periodic tenancy. In these situations the RTRA Act does not require any particular period of notice to the tenant regarding the rent increase. If the tenant signs the new tenancy agreement, then whatever rent is stated in item 7 will be payable from whatever date is stated in item 6.2, even if that is immediately.

A new owner has bought a tenanted property. Seeing as the current rent was negotiated with the previous lessor, she now wants to increase the rent. Can she?

Regardless of a change of lessor (or agent), the rules about rent increases still apply to the tenancy. Therefore this answer will depend on the type of tenancy in place, and how long it has been since the current rent amount became payable with the tenants.



*Professional
Corporate Support*
**AGENCY ADMINISTRATOR
FEATURE DAY**

**BRISBANE
FRIDAY 26 MAY**
9.00am - 4.00pm

Come and join us for our special feature day designed for administration professionals

The day will focus on:

- Being an integral part of a top performing agency team
 - Documentation, legislation and practical guidance
 - Time management
- Communication strategies and conflict prevention
- Practical strategies to offer the best support possible for your agency team
 - Identifying opportunities for initiative

Efficient and well trained administrators are the backbone of any successful agency. Keep up-to-date with best practice and compliance issues, and learn how to implement and improve office processes and procedures.

Members \$200 inc GST | Non member \$250 inc GST

Don't miss out on this Feature Day!

To book or for more information
P. 3249 7373 E. jmcguire@reiq.com.au



SPECIALISED COURSES

MAY - JUNE 2017

WEBSITE WOE OR WEBSITE WOW?

Agents are now reporting up to 90% of their enquiry is coming from online sources. With industry commentators tipping that popular sites such as realestate.com.au and domain could more than double their charges over coming years the need has become stronger than ever before for real estate agents to take serious counteractive measures and get serious with their own company website. In this course participants will learn to understand and implement 7 critical actions to assist to drive your potential clients to your website, rather than to expensive portals.

Gold Coast: 22 May

SELLING INVESTMENT PROPERTY

Would you like to maximise your ability to sell properties to investors? This course will show you the ways to best promote properties with investment potential including understanding rental returns, features of properties which attract tenants, depreciation and over capitalisation. We'll also address the restrictions on providing financial advice and how to source leads from property management departments or other agencies.

Gold Coast: 16 May | Sunshine Coast: 11 May | Mackay: 29 May

QCAT KNOW HOW FOR RESIDENTIAL PROPERTY MANAGEMENT

This workshop will give participants a solid understanding of where QCAT sits in the legal system and understanding QCAT forms, published orders and precedents, how to prepare and present professionally for a hearing, and how agency documents impact on QCAT hearings. The session will include a case study review with hands on referencing to the RTRA Act and Regulations and will address regional QCAT hearings with magistrates.

Gold Coast: 9 May | Mackay: 30 May

PROPERTY MANAGEMENT DOCUMENTATION AND LEGISLATION REFRESHER

This workshop is designed to give participants a solid understanding of the provisions of the Property Occupations Act and associated legislation impacting on everyday property management practices, completing the Form 6 and protecting the agency commission and asset, completing RTA forms and complying with notice periods, and how to research and understand relevant provisions of the RTRA Act and Regulations. The session will also focus on risk avoidance, including case study examples.

Gold Coast: 9 May | Mackay: 30 May

HOW TO EARN MORE MONEY BY PROSPECTING LESS – TAKE YOUR BUSINESS TO THE NEXT LEVEL IN 6 EASY STEPS

In this session we'll cover the following:

- Discover the key profit centres to focus on for 'immediate' financial gain – Pay-rise BOOM!
- Learn the easiest ways to prospect without formally prospecting
- Get results FAST - Increase your Return on Effort (ROE) and reduce the heavy lifting with your prospecting activities
- Learn how to dominate the digital space with the greatest effect
- How to attract the right audience at the right time in the right way
- Working the heat and converting opportunities with ease

Gold Coast: 10 May

BUYING AND SELLING A RENT ROLL

Thinking of buying or selling a rent roll? Both processes are extremely involved and if done incorrectly or without adequate preparation for hidden pitfalls the transaction can be extremely costly to you. Forward planning in advance of any sale or purchase is paramount to ensure a successful purchase or a profitable sale. This session will give you the tools you need to make informed decisions, including dealing with appointments.

Brisbane: 15 May

HOW TO WRITE ATTENTION GRABBING, HIGHLY EFFECTIVE AD COPY THAT SELLS

In this session we'll cover the following:

- Discover what is now the single biggest asset in your online advertising arsenal
- The key components you need to consider when writing a compelling advertisement
- Appealing to the purchasers' hierarchy of needs
- Optimal key words and phrases that sell
- Learn how to write action generating copy in a fraction of the time it now takes you

This session includes an advertising workshop and a whole lot more, including a blueprint / cheat sheet for future success.

Brisbane: 23 May

PROPERTY MANAGEMENT PLATINUM SERIES

This series takes attendees through the full property management life cycle – from securing the listing through to finalising the tenancy. Attend one session for a

targeted approach, or all more to really boost your property management skills.

- During the tenancy: Managing the tenancy, including maintenance systems, inspections, managing arrears and the tenant relationship: **24 May**
- Ending the tenancy: Minimise stress through understanding serving notices, how to communicate with landlords and tenants, QCAT appearances and dealing with abandoned goods: **14 June**

SELLING LOTS IN A COMMUNITY TITLE SCHEME

Do you sell units or townhouses? Learn about the crucial disclosure documentation when selling strata titled properties, information about bodies corporate, preparing community title contracts and all important information to collect when marketing the property.

Gold Coast: 22 May

COMMERCIAL PROPERTY MANAGEMENT

Commencing with the foundation course 'Introduction to commercial property management', this series encompasses acquiring and commencing a new management, retail leasing, lease and retail management, preparing financial and management reports and operations management. Delivered in a total of four days over two parts (Part 1 and Part 2 are two days duration each).

Commences: 24 May

4 STEPS TO SUCCESSFUL SALES – THE PSYCHOLOGY OF THE SALES PROCESS

Why is it that most homebuyers, when asked 12 months after their purchase, cannot name the agent from whom they purchased? Understanding the psychology behind your clients' and customers' needs translates to a deeper relationship and more business for real estate salespeople. Enhance your potential for repeat and referral business by attending this in depth look into the psychology behind the sales process.

Brisbane: 30 May

PROFESSIONAL CORPORATE SUPPORT FEATURE DAY

Efficient and well trained administrators are the backbone of any successful agency. Keep up-to-date with best practice and compliance issues, and learn how to implement and improve office processes and procedures. Join a lineup of the top corporate support professionals for this practical day.

Brisbane: 26 May

Registration and Licensing Courses

May - June 2017

FAST 2 DAY REGISTRATION TUTORIAL

BRISBANE

8 - 9 May 9.00am - 4.30pm

23 - 24 May 9.00am - 4.30pm

29 - 30 May 9.00am - 4.30pm

8 - 9 Jun 9.00am - 4.30pm

20 - 21 Jun 9.00am - 4.30pm

26 - 27 Jun 9.00am - 4.30pm

Commencing 12 Jun Registration evening classes commence 8 evenings (6-9pm Mon and Tues)

GOLD COAST

29 - 30 May 9.00am - 4.30pm

26 - 27 Jun 9.00am - 4.30pm

Commencing 15 May Registration evening classes commence 8 evenings (6-9pm Mon and Tues)

SUNSHINE COAST

15 - 16 May 9.00am - 4.30pm

19 - 20 Jun 9.00am - 4.30pm

TOOWOOMBA

6 - 7 Jun 9.00am - 4.30pm

CAIRNS

8 - 9 Jun 9.00am - 4.30pm

TOWNSVILLE

22 -23 May 9.00am - 4.30pm

HERVEY BAY

12 - 13 Jun 9.00am - 4.30pm

MACKAY

31 May - 1 Jun 9.00am - 4.30pm

ROCKHAMPTON

3 - 4 May 9.00am - 4.30pm

29 - 30 Jun 9.00am - 4.30pm

COMPREHENSIVE 4 DAY REGISTRATION CLASS

BRISBANE

2 - 5 May 9.00am - 4.30pm

15 - 18 May 9.00am - 4.30pm

30 May - 2 Jun 9.00am - 4.30pm

13 - 16 Jun 9.00am - 4.30pm

27 - 30 Jun 9.00am - 4.30pm

GOLD COAST

9 - 12 May 9.00am - 4.30pm

23 - 26 May 9.00am - 4.30pm

6 - 9 Jun 9.00am - 4.30pm

20 - 23 Jun 9.00am - 4.30pm

SUNSHINE COAST

22 - 25 May 9.00am - 4.30pm

27 - 30 Jun 9.00am - 4.30pm

CAIRNS

9 - 12 May 9.00am - 4.30pm

TOOWOOMBA

8 - 11 May 9.00am - 4.30pm

Career Networking Events

BRISBANE

18 May 12.30 - 1.30pm

27 Jun 12.30 - 1.30pm

GOLD COAST

30 May 12.30 - 1.30pm

SUNSHINE COAST

16 May 5.30 - 7.00pm

Specialised Courses

May - June 2017

PROPERTY MANAGEMENT

QCAT Know How for Residential Property Management
GOLD COAST: 9 May (1pm - 4.30pm)
ROCKHAMPTON: 28 Jun (1pm - 4.30pm)
MACKAY: 30 May (1pm - 4.30pm)
HERVEY BAY: 14 Jun (1pm - 4.30pm)
CAIRNS: 30 Jun (1pm - 4.30pm)

Managing Community Titled Properties and Dealing with the Body Corporate
BRISBANE: 5 May (9am - 12.30pm)

Property Management Documentation and Legislation Refresher
BRISBANE: 7 Jun (9am - 12.30pm)
GOLD COAST: 9 May (9am - 12.30pm)
MACKAY: 30 May (9am - 12.30pm)
CAIRNS: 30 Jun (9am - 12.30pm)
HERVEY BAY: 14 Jun (9am - 12.30pm)
ROCKHAMPTON: 28 Jun (9am - 12.30pm)

Property Management Breakfast
GOLD COAST: 25 May (7.15am - 8.45am)
BRISBANE: 8 Jun (7.15am - 8.45am)
SUNSHINE COAST: 7 Jun (7.15am - 8.45am)

Property Management Platinum Series: Day 2
BRISBANE: 24 May (10am - 3pm)

Property Management Platinum Series: Day 3
BRISBANE: 14 Jun (10am - 3pm)

Property Management Online Library
Library released March 2017

SALES AND AUCTION

4 Steps to Effective Sales - the Psychology of the Sales Process
BRISBANE: 30 May (9.00am - 12.30pm)

Building Better Relationships through Client Communication and Authenticity
BRISBANE: 15 Jun (9.00am - 12.30pm)

Selling Lots in a Community Title Scheme
GOLD COAST: 22 May (9.00am - 12.30pm)
SUNSHINE COAST: 12 Jun (1pm - 4.30pm)

Selling Investment Property
GOLD COAST: 16 May (1pm - 4.30pm)
SUNSHINE COAST: 11 May (1pm - 4.30pm)

MACKAY: 29 May (1pm - 4.30pm)
HERVEY BAY: 15 Jun (9am - 12.30pm)

CAIRNS: 19 Jun (1pm - 4.30pm)

ROCKHAMPTON: 27 Jun (1pm - 4.30pm)

Sales Success Series 2017
BRISBANE: 28 Jun (6.30pm - 8pm)

How to Earn More Money by Prospecting Less - Take Your Business to the Next Level in 6 Easy Steps
GOLD COAST: 10 May (9am - 12.30pm)

How to Write Attention Grabbing, Highly Effective Ad Copy that Sells
BRISBANE: 23 May (9am - 12.30pm)

Scripts and Dialogues for Building a Robust Prospecting Pipeline
BRISBANE: 20 Jun (9am - 12.30pm)

Job Ready Sales
BRISBANE: 28 & 29 Jun (9am - 4.30pm)

BUSINESS OWNERSHIP SERIES

BOS 3 Buying and Selling a Rent Roll
BRISBANE: 15 May (9am - 12.30pm)

BOS 4 Team Goal Setting, KPI's and Measurement Tools for Success
BRISBANE: 5 Jun (9am - 12.30pm)

AGENCY MANAGEMENT AND ADMINISTRATION

Professional Corporate Support: Agency Administrator Feature Day
BRISBANE: 26 May (9am - 4pm)

Agency Growth and Profitability: Business Owner Feature Day
BRISBANE: 23 Jun (9am - 4pm)

Starting an Agency
BRISBANE: 13 Jun (9am - 4pm)

COMMERCIAL & BUSINESS BROKING

Commercial PM series - Part 1
BRISBANE: 24 & 25 May (9.00am - 4.30pm)

Commercial PM series - Part 2
BRISBANE: 21 & 22 Jun (9.00am - 4.30pm)

TECHNOLOGY AND DIGITAL MEDIA

Website Woe or Website Wow?
BRISBANE: 3 May (1.30pm - 5pm)

GOLD COAST: 22 May (1.30pm - 5pm)

SUNSHINE COAST: 7 Jun (9am - 12.30pm)

Resident Letting Agents Block Course

GOLD COAST

15 - 17 May 9.00am-4.30pm

BRISBANE

5 - 9 Jun 9.00am-4.30pm

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*Google Analytics for realestateVIEW.com.au March 2017.

Why bigger is better when seeking a deposit

When seeking a deposit from the potential buyer, many agents typically push for just enough deposit to cover their commission. However, there are many good reasons why pushing for more than the minimum is an excellent idea.

The agent has a fiduciary responsibility to their client, which comes with specific responsibilities. A key component is that the agent must always put the interest of their client first.

The REIQ terms and conditions which accompany Form 6 appointment for residential sales allows the agent to claim commission where the property transaction is completed. In the majority of cases, this is when most salespeople get paid for their work.

However, there are other instances where the agent may still claim commission even if settlement of the property does not occur. These instances are covered by clauses 5.1.2, to 5.1.4 outlined below:

An important part of the Form 6 that often gets overlooked is Part 7 – Commission. Under the section: “When commission is payable” many agents simply check the first box, “For sales, including auctions, commission is payable if a contract is entered into and settlement of the contract occurs.” This means the agent is paid upon settlement.

However, there are other instances where the agent may still claim commission even if settlement of the property does not occur. These instances are covered by Clauses 5.1.2 to 5.1.4, as outlined below:

5.1 The Client agrees to pay the Agent Commission as specified in Part 7 of the Appointment of Property Agent if a Contract of Sale of the Property is entered into with a Buyer, whether within the Term or after the Term, where the Relevant Person is the effective cause of the sale within the Term, provided that:

5.1.1 the Contract of Sale of the Property is completed; or

5.1.2 the Client defaults under the Contract of Sale and that Contract is terminated by reason or following that default; or

5.1.3 the Contract of Sale is not completed and the whole or part of the deposit paid is liable to be forfeited; or

5.1.4 the Contract of Sale is terminated by mutual agreement of the Client and the Buyer.

Although the REIQ understands that sales agents wish to be properly remunerated for their work (which is the reason we have created the above provisions) this should not be at the expense of the vendor client or your overarching obligations to that client.

When securing a deposit from the buyer it is your responsibility to give your client as much protection as possible by asking for the maximum deposit – 10%. Instead of asking, “How much deposit would you like to give?” try saying, “The deposit is 10%, how would you like to pay?”.

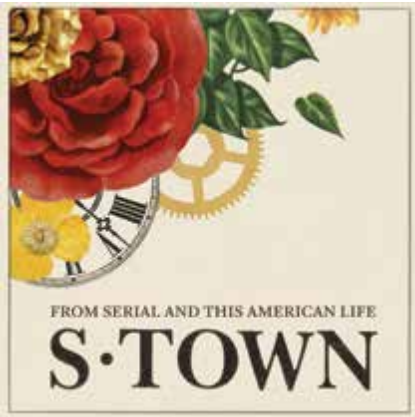
The greater the deposit the greater the protection – buyers who have deposited tens of thousands of dollars are less likely to walk away. Fewer contracts fall over when the deposit is a significant sum, compared with a few thousand.

In addition, upon settlement, the client is motivated to release the funds quickly – it’s their money tied up in the trust account along with your commission!



WHAT'S NEW

WHAT'S HOT



S Town:

This is the podcast that has everyone talking. This seven-part series landed in iTunes last month and if you haven't subscribed you need to get it on your playlist. S Town is from the same team who created the highly addictive Serial and This American Life, and focuses on the people of the small Alabama town of Woodstock and one unusual person in particular, John B McLemore. **Download S Town from iTunes.**

The REIQ Real Tech Day:

See what's making our lives easier, faster and 'appier at the REIQ Real Tech Day, August 30 at the Brisbane Convention & Exhibition Centre. Exhibitors will include Google and Facebook, among others. This will be a tech day with a difference because visitors will be able to touch and feel the tech, experiencing its benefits directly. Don't miss out! **Grab tickets at REIQ.com.**



Tesla in the Valley:

Tesla has been given Council approval to build a car showroom and two supercharging stations in Ann Street, Fortitude Valley. A supercharging station means a car can charge for 30 minutes (for 270 km driving range) up to 75 minutes (for 600 km driving range). These differ to a regular charging station which requires cars to charge overnight. City Council Planning Chair Julian Simmonds confirmed this was the first development application for an electric charging station that the council had received. Hopefully not the last, he hinted.

Big Brush:

Snapchat fans will be celebrating with the news that the latest update (rolled out in April) will now give users a massive new brush size with which to scrawl their witticisms and otherwise decorate their snappity-chatty images. To access the new brush, simply draw a dot on your screen and pinch to widen it with your fingers. It's that easy.



CoreLogic SmartList tool:

Speaking of all things techie, the popularity of CoreLogic's new listings tool, SmartList is growing. SmartList draws on a range of data points to create a list of leads that are likely to list within the next three months. The app "identifies patterns of specific property and market data that are predictive of listings", according to CoreLogic's Kylie Davis. It can deliver data down to a postcode level and CoreLogic promises it will help give you a jump on your competitors. **Visit CoreLogic.com.au/smartlist for more.**

Eat Street v2:

Eat Street has reopened in its new Northshore location, albeit just a few doors down from its old address. The new site has additional parking and more seating for diners, along with additional vendors. It's less of a "market" and more of a dining precinct, according to organisers. OpenSky cinemas are still there (albeit under the Brisbane Airport flight path, winning the prize for most unusual location for an open air cinema).

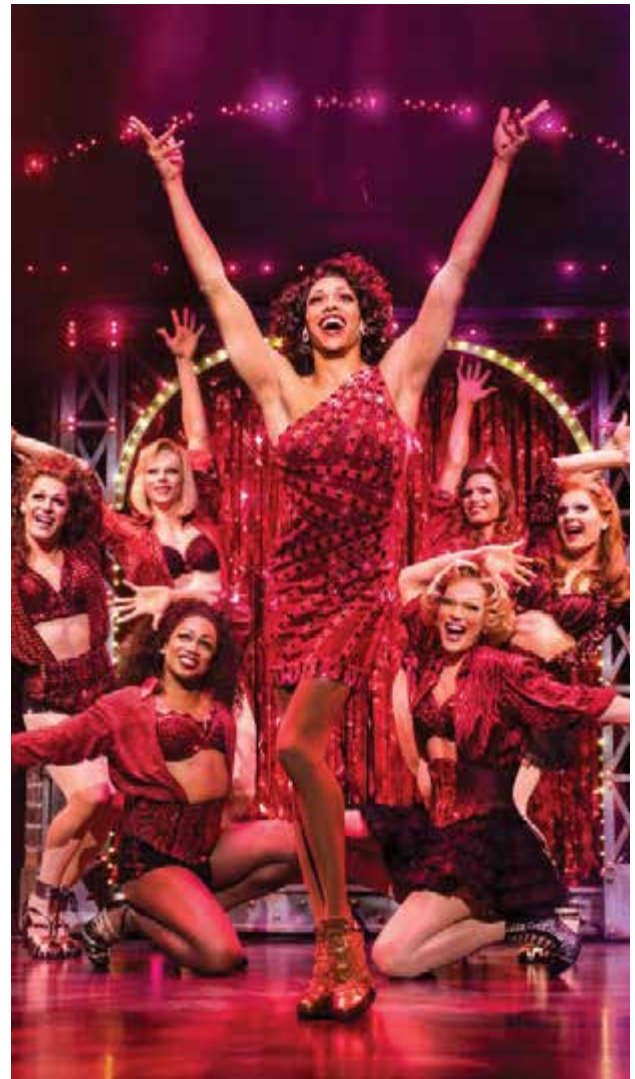


The Formula To Successful Property Investing:



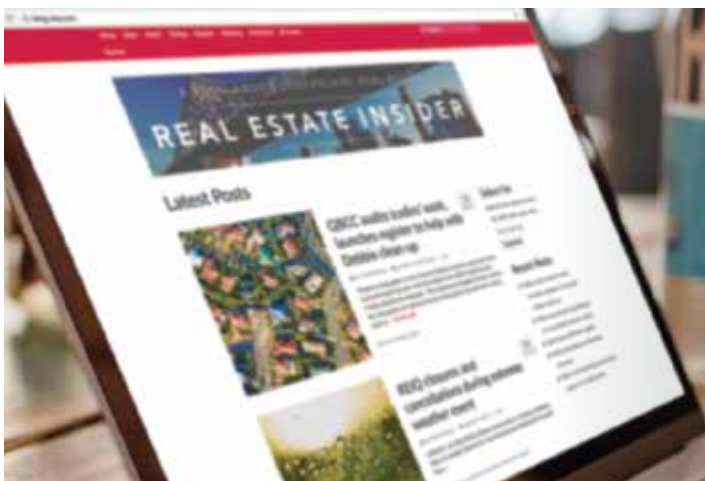
Just because you work in real estate doesn't mean you know all there is to know about becoming a property investor. This is where a good book can go a long way to filling in the gaps in your investment strategy knowledge. *The Formula To Successful Property Investing* is a

useful tool for beginners that can help you understand the dizzying range of options available when becoming a property investor. Michael Sloan is the co-founder and managing director of The Successful Investor.



Kinky Boots:

Theatre-goers rejoice for Kinky Boots are coming to Brisbane! Kinky Boots is the hilarious and heart-warming musical based on the movie starring Joel Edgerton and inspired by a true story, with lyrics written by Cyndi Lauper, will clip clop into QPAC from August 22. Tickets from the usual outlets.



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Ipswich is the answer for housing affordability critics

WORDS BY REIQ RESEARCH ANALYST, KARINA SALAS

Leave the Brisbane CBD and in just 45 minutes, or 45kms along the M5, you'll be in the heart of Ipswich, a thriving city of more than 200,000 that is projected to reach 435,000 by 2031.

This vibrant and diverse city is the epicentre of a huge array of residential developments that fan out around the southeast corner, including Ecco Ripley, Springfield, and Deebing Heights.

The Ipswich residential market was growing strongly from 2000 until 2011, but the catastrophic floods interrupted this city's growth trajectory. The question now is has the market recovered and what is the outlook?

Economic and population growth

Over the past decade, from FY 2005 to FY 2015, the Ipswich economy grew 46.7 per cent or around 3.9 per cent per year, from \$5.4 billion to \$7.9 billion gross regional product.

This economic boost was driven by population growth of 40.6 per cent over the same period, or around 3.5 per cent per year. Similarly, the median housing and unit price grew, by about 48.5 per cent and 81.9 per cent, respectively.

While the 10-year statistics show a sustained growth in the property market supported by economic fundamentals, the growth path was clearly disrupted by the 2011 floods.

Despite the strong economic and population growth, Ipswich's unemployment of 8.3 per cent is higher than the Queensland average of 6.1 per cent, and the Australian average of 5.7 per cent. Youth employment is a particular challenge for this region.

Ipswich is a regional economy with significant potential due to its proximity to the third-largest capital city in Australia. It has a strong manufacturing and processing base and is home to many large businesses, such as the JBS beef processing plant at Dinmore, the largest in the southern hemisphere.

Market defined by 2011 floods

The Ipswich residential market is best characterised by pre and post 2011 flooding. The median price growth trajectory in the years prior to the floods was strong and steady, but was interrupted in 2011 and has taken some time to recover.

Median house and unit prices recorded the largest growth between 2003 and 2010, in the period prior to the flood. The cumulative growth from June 2003 to June 2010 was 163 per cent for houses and 189 per cent for units or the equivalent to an annual growth of 14.8 per cent for houses and 16.4 per cent for units.

This compares to a cumulative growth from June 2010 to June 2016 of 0.3 per cent for houses and 12 per cent for units. The data demonstrates that the property price growth was heavily affected by the flooding events.

The historical demand trend for houses and units (measured by the number of annual sales) has also been volatile over the millennium, reflecting the impact of the flooding events on the growth stage of the market.

Recovery

Since 2011, there are signs to indicate that the Ipswich residential property market has recovered and overcome the impact of flooding in property prices.

The median house price has trended steadily upwards from 2013 and by mid-2016 reached about \$330,000, which was the top of the market prior to 2011. The house market has remained steady at \$330,000 from June 2016.

Similarly, the unit market reached the peak in early February 2016 (annual median sale of \$307,000) and levelled

off for the rest of 2016 to settle on \$300,000 in November 2016.

Despite the general market recovery, local agents indicate that properties exposed to high risk of flooding have not seen much improvement in prices and usually they are sold for discounted prices compared to properties less exposed to flood risk.

First-home buyers continue to drive the residential property market in Ipswich. Local agents are now reporting an increase in local and interstate investors, attracted by solid, sustainable rental yields.

Market Trend Indicators

The market trend indicators to November 2016 confirm that the house market has now become a seller's market supported by the fall in the number of listings. There is clear evidence that supply is trending downwards, with listings down by 7.2 per cent from 5,085 in November 2015 to 4,720 in November 2016.

Average days on market and vendor discounting for houses have trended downwards since 2012, reaching 73 days and 5.9 per cent in November 2016.

The unit market has also showed signs of improvement since 2012. However, 2016 has been a challenging year for the unit market throughout Queensland, with the market trend indicators for Ipswich units slightly deteriorating in 2016.

The number of unit listings remained steady for the 12 months to November at about 520 listings. Average days on market for units fell to 112 days in November 2016 compared to 140 days reached in 2012. Similarly, average vendor discounting fell to 5.9 per cent in November 2016 compared to 10.4 per cent in 2012.

Vendors are holding properties longer with the average hold period for houses increasing from 9.1 years in December 2012 to 10.3 years in December 2016 and for units from 6.7 years in December 2012 to 8.2 years in December 2016.

Rental Market

Ipswich is also a good market for property investors due to its affordability which drives higher yields compared to other regions in the southeast corner. The gross yield for houses is 4.8 per cent and for units is 5 per cent to December 2016.

Vacancy rates in the region have fluctuated between the tight and healthy range since the REIQ

commenced calculating the vacancy rates in June 2008, sitting at 2.4 per cent for December 2016.

Local real estate agents assess the rental market as very competitive for investors with rents staying steady or increasing moderately, by less than 3.4 per cent, for the past 12 months to December.

Outlook

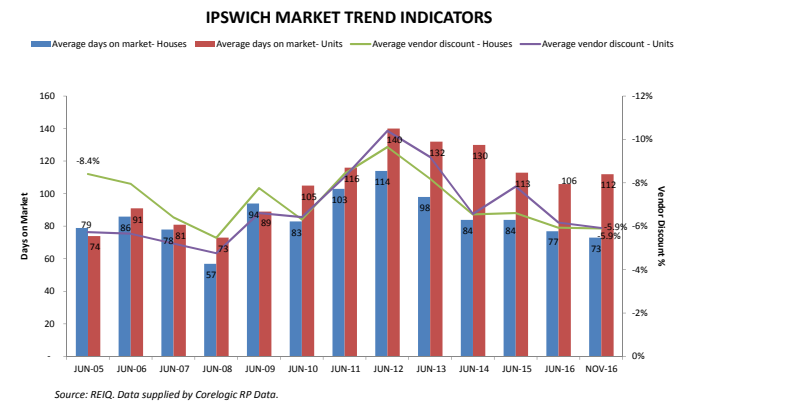
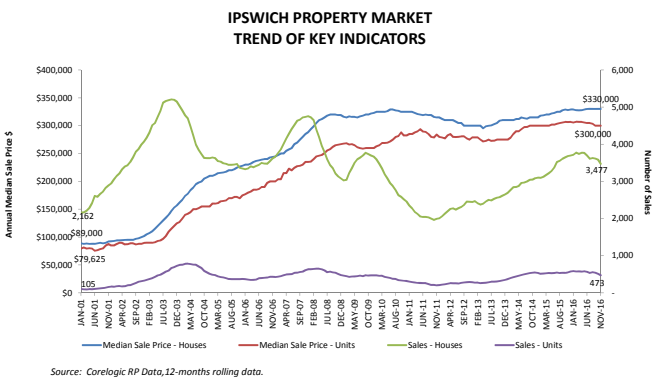
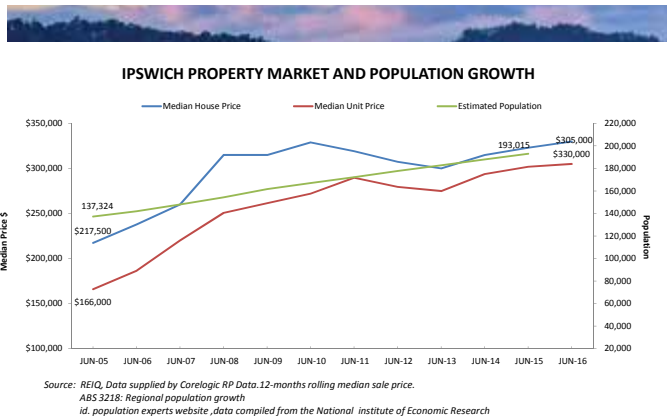
The Ipswich residential property market is supported by solid economic fundamentals, including population growth and gross regional product growth, which will sustain growth going forward in the long term.

In the short term, the house market is lacking supply, which is putting

upward pressure on prices. The unit market, on the other hand, faces excess supply and price growth is not expected in the next 12 months.

The key advantages for the region are its affordability along with the relatively short commute to Brisbane either by road, or by the good public transport links. The largest infrastructure project in the region is the upgrade of the Ipswich motorway. This will, in effect, bring Ipswich closer to Brisbane for commuters and give added uplift to property demand.

Property prices in Ipswich are generally between 15 per cent and 45 per cent more affordable than other regions in the southeast corner, attracting first home buyers and first time investors.



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St. George Bank



The Rental Market,
Darren Barlow,
Chief Executive Officer
- RTA



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Australia, CoreLogic



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Date: Wednesday 14 June 2017

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Cost: Members \$45 (inc GST)
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The absolute beginner's guide to capital gains tax

WORDS BY BDO PARTNER, EDDIE CHUNG

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 tax resident of Australia, you are generally liable to Australian CGT on any CGT asset you own worldwide, eg, an investment property located overseas. This default position may be modified by any Double Tax Agreement (DTA) Australia may have with the country in which the CGT asset is located. It is possible that both countries may tax the same capital gain but Australia would generally allow you to offset any tax paid in the foreign jurisdiction as a Foreign Income Tax Offset to avoid double taxation.

If you are a non-resident or temporary resident for Australian tax purposes, you are only 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 (usually the sale price) on the sale of the property. Therefore, the higher is the cost base of the property, 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).

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.

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.

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.

QCAT update - Disciplinary action against property manager

WORDS BY CARTER NEWELL SENIOR ASSOCIATE, ANDREW PERSIJN

*In the recent decision of **Chief Executive, Department of Justice and Attorney General v Ford** [2017] QCAT 4, the Queensland Civil and Administrative Tribunal (**Tribunal**) has provided a reminder to all real estate agents that it is prepared to exercise its disciplinary powers for breaches of the repealed **Property Agents and Motor Dealers Act 2000** (Qld) (**PAMD Act**), in order to ensure that the integrity of the industry, as well as the protection of consumers, is maintained.*

Background

Sarah Leah Ford (**Respondent**) was a property manager employed by Progress Properties Pty Ltd trading as Progress Properties. The Chief Executive submitted that the Respondent dishonestly dealt with a total of \$10,965.48, which was received from tenants during the period between 4 January 2013 and 24 February 2014.

Over this period, the Respondent had the responsibility of receiving rental payments from tenants and ensuring that they were credited to the correct account. The Respondent was also a tenant of premises managed by Progress Properties and she was expected to pay her own rental payments to the agency. On a number of occasions between the aforementioned dates, the Respondent diverted money paid by tenants into the agency's trust account so that it was credited to her own rent account.

This was discovered by Robert Ford (**Mr Ford**), the director of Progress Properties and the Respondent's brother, when a tenant disputed their rent position. Mr Ford examined the computer records and found that the tenant's rent payment had been credited to the Respondent's rent account. When questioned by Mr Ford, the Respondent claimed that



it was an honest mistake. Mr Ford immediately corrected the error on the computer records and credited the tenant's account with the correct amount. Two days later Mr Ford found a second similar discrepancy and he immediately reported the matter to the police and to the Office of Fair Trading. Mr Ford conducted an investigation and found that there had been 26 occasions where the Respondent had diverted rental money from other tenants to credit her own rental account.

Seventeen tenants and their corresponding owners were affected by the actions of the Respondent. Mr Ford credited the accounts of the tenants and owners concerned.

The Office of Fair Trading delivered a written request to the Respondent's residential address asking her to attend a formal interview but she did not respond. The Respondent also failed to respond to the proceedings commenced in the Tribunal and she did not reimburse the money which her employer, her brother, had reimbursed.

Grounds for taking disciplinary action against the Respondent

Pursuant to s 497 of the PAMD Act¹, the Chief Executive may start disciplinary proceedings by applying to the Tribunal for the Tribunal to decide whether grounds exist under s 496 of the PAMD Act² for taking disciplinary action against a registered employee.

In the application, the Chief Executive outlined two grounds for taking disciplinary action, namely that:

- Under s 496(1)(b)(i) of the PAMD Act, the Respondent contravened s 583(3) of PAMD Act by making an entry in a document required or permitted to be made under the Act, knowing the entry to be false or misleading in a material particular; and
- Under s 496(1)(h)(ii) of the PAMD Act, the Respondent, in performing an activity of a licensee, was incompetent or acted in an unprofessional way.

The Tribunal found that the Respondent stole tenants' rental payments as outlined above. The Tribunal held that this was obviously a deliberate act and that the Respondent must have known that the entries she was making in the accounts system were false or misleading. The Tribunal held that these actions also amounted to acting in an unprofessional way. Accordingly, the Tribunal concluded from the evidence that grounds existed for taking disciplinary action against the Respondent under s 496 of the PAMD Act.

Penalty

The Tribunal disqualified the Respondent from holding or obtaining a licence or certificate of registration under the PO Act for a period of ten years. The Tribunal also imposed a fine of \$10,000.

The Tribunal imposed these penalties in reference to various similar cases, in particular *The Chief Executive, Department of Tourism, Fair Trading and Wine Industry Development v Ms Kate Maree Matheson* [2006] CCT PDO11-06 and *The Chief Executive, DTRFT v Turner* [2003] PAMDT X011-03.

In *Matheson*, a real estate salesperson certificate holder was responsible for receiving rent and bonds on behalf of the real estate agency for which she worked. She stole \$13,200 over a period of nearly three months and gambled to try and repay the money. She admitted these matters, was charged and convicted of a criminal offence in respect of them, was ordered to pay restitution and she sought help for her gambling problem. The Chief Executive did not seek a monetary order in light of the criminal proceedings and the Tribunal imposed a ten year disqualification plus costs.

In *Turner*, a real estate salesperson stole \$12,333 over a period of twelve months. She co-operated with the investigation, was charged and convicted of a criminal offence and was ordered to pay \$12,333 in restitution. As in *Matheson*, the Chief Executive did not seek a monetary order and the Tribunal imposed a ten year disqualification plus costs.

In addition to the above cases, the Tribunal took into consideration the Respondent's lack of response to the proceedings, the fact that she had not repaid the money, the absence of any criminal proceedings, the Respondent's attempts to cover up the theft as well as the need to protect the public.

Conclusion

Central to the maintenance of real estate industry standards and integrity is the assurance that money acquired by agents, in the course of their business, will be dealt with in accordance with the PO Act and *Agents Financial Administration Act 2014* (Qld).

This case demonstrates that disciplinary proceedings against agents or agencies are intended to protect members of the public, as well as upholding the professional standards of the real estate industry.

While the adverse publicity generated by decisions such as this can be damaging to the real estate industry, agents can also consider these decisions a win for the industry, serving as an assurance to the public that the industry has effective and transparent systems in place to protect and promote the integrity of the industry.

¹ Section 173 of the *Property Occupations Act 2014* (Qld) (PO Act).

² Section 172 of the PO Act.

Beware of misleading and deceptive conduct in advertising campaigns

WORDS BY CARTER NEWELL PARTNER, MICHAEL GAPES

Agents should of course ensure that all representations made by them to potential buyers and tenants, regardless of whether they are made orally or in writing, are completely truthful and accurate.

In this article, we will briefly examine some of the legal considerations which must be borne in mind when marketing a property for sale or rent and look at some of the risks which agents should be aware of when conducting advertising campaigns.

The legislation

Section 212 of the *Property Occupations Act 2014* (Qld) relates to false representations about property. Section 212 (1) states that a licensee or real estate salesperson must not represent to someone else anything that is false and misleading relating to the letting, exchange or sale of real property. The maximum penalty for breaching this provision is 540 penalty units (which equates to \$65,826).

Section 212(2) states, *inter alia*, that a licensee or real estate salesperson must not, in connection with the sale, or possible sale, of an interest in a property, represent anything that is false and misleading relating to:

- (a) The value of the property at the date of sale;
- (b) The potential income from the leasing of the property;
- (c) If the property has been previously sold, the date of sale and the consideration (price); or
- (d) How the purchase of the property may affect the incidence of income tax on the buyer.

The maximum penalty for a breach of this sub-section is 540 penalty units (or \$65,826).

If a person makes a representation relating to a matter and he or she does not have reasonable grounds for making the representation, the representation is taken to be misleading (section 212(4)). The onus of establishing whether the person had reasonable grounds is on the person making the representation (section 212(5)).

Further, section 18 of the *Australian Consumer Law* (ACL) prohibits conduct, in trade or commerce, which is misleading or deceptive, or is likely to mislead or deceive. Misleading and deceptive conduct is a broad concept which includes words, actions and pictures. It is irrelevant whether there is an intention to mislead; what is relevant is the overall impression created by the conduct and its actual or likely effect on the target audience.

Section 30 of the ACL prohibits, in connection with the sale or possible sale or promotion of an interest in land, false or misleading representations in relation to:

- (a) The sponsorship, approval or affiliation of the person making the statement;
- (b) The nature of the interest in the land;
- (c) The price payable for the land;
- (d) The location of the land;
- (e) The characteristics of the land;
- (f) The use to which the land is capable of being put or may lawfully be put; and
- (g) The existence or availability or facilities associated with the land.

A breach of section 30 may result in civil proceedings for damages, remedial orders, an injunction or a pecuniary penalty.

A representation can be in writing (and can include pictures, photographs, plans and drawings), a verbal statement or even conduct (including gestures and demeanor). It should also be remembered that silence may constitute a representation.

Article 9 of the *REIQ Standards of Business Practice* deals with statements with respect to the marketing, sale, rent or lease of properties or businesses. It states that members must not:

- (a) Make false or misleading representations or statements about properties or businesses, or engage in any conduct which is likely to mislead or deceive, including representations or statements about the values of properties or businesses, the features of properties or businesses or any other matter that is material to the sale, purchase or lease of a property or business to a Client or Consumer;
- (b) Participate in any harsh or unconscionable conduct with respect to the marketing, sale, rent or lease of properties or businesses; or
- (c) Engage in bait advertising.

We now look at some specific risks which agents need to be conscious of when marketing a property for sale or rent.

Photographs

In February 2016, a NSW real estate agency advertised a three bedroom home for sale in Sydney's Penhurst. The photographs of the property placed on the internet did not show a large water tower immediately behind the property, which dwarfed the house when viewing it from the street. A spokeswoman from the agency stated that the photograph in question was not taken by the agency's photographer, but was supplied by the owner from a previous marketing campaign with another agent. The agency subsequently stated that the photos were not photoshopped and to prove this, they took some wide angle photographs with a Go-Pro which completely obscured the water tank.

At the time, the NSW Fair Trading issued a statement saying that the digital enhancement of advertising material may constitute an offence where the enhancements are not disclosed or create a deception for buyers. If a photograph is altered, agents should be mindful of whether their conduct may be misleading or deceptive or likely to mislead and as a result, be in breach of the ACL.

Aside from editing photographs, other conduct that can result in claims against agents may include not using up-to-date photographs of a property in its advertisements. Where absentee buyers or tenants are interested purchasing or renting a property without physically inspecting it, they will rely upon the information they are able to gather about the property from the photographs used in the advertising campaign.

Agents should therefore be mindful to always ensure that any photographs of a property reflect the property in its current condition. Out-of-date photographs should not be used to save time and money.

Words and descriptions

Agents need to ensure the accuracy of all descriptions and words used to promote a property in their advertising campaigns.

Representations about the potential or permitted use of land or buildings must acknowledge any legal restrictions affecting the property. These include planning requirements, restrictive covenants and easements. Representations about the characteristics of land include for example:

- The suitability for residential developments;
- The ability to be subdivided;
- The drainage, water supply and topographical features; and
- The dimensions of the land or buildings.

Any representations about the development potential of properties should include words to the effect of '*Subject To Planning Consent*' and all interested parties should be encouraged to undertake their own independent enquiries and seek professional advice if appropriate.

Agents must also be careful when describing the location of a property. They must ensure that they correctly describe the suburb, as well as the local amenities and school catchment areas. A well known example of this was an advertisement of a property in Perth being advertised as being within '*walking distance to one of Perth's finest state schools*'. Whilst this was accurate, the property was not within the school's catchment zone – the boundary was one street away. As many prospective buyers clearly had an interest in schools for their children, this representation, whilst accurate, gave a misleading overall impression.

Future statements

Section 4 of the ACL states that if a person makes a representation without reasonable grounds about a future matter, the representation is taken to be misleading.

Representations as to future matters are particularly important for agents selling '*off the plan*' properties, as potential buyers are unable to inspect the finished product before entering into a contract. They are therefore totally reliant upon the marketing material and plans supplied, as well as the agent's representations about the property.

Under section 4 of the ACL, where a misrepresentation as to a future matter is being relied upon by a buyer, the person making the representation is taken not to have reasonable grounds for making the representation unless evidence is adduced to the contrary. Therefore, agents should be mindful when making representations about a property which has not been built. This also applies to predictions about future trends in property values or development prospect of a property.

Conclusion

Agents must be vigilant in ensuring that they comply with their legislative obligations when marketing properties for sale or rent. As well as being careful to ensure that all written and oral representations and statements made in relation to properties are completely accurate, agents should ensure that they actively encourage all prospective buyers and tenants to undertake their own enquiries and investigations to satisfy themselves that the property meets their requirements and that they obtain their own expert advice. Agents should also ensure that all of their marketing material contains an appropriately worded disclaimer.

Irish footballer takes rookie title



Name: Eoghan Murphy

Award: Rookie of the Year

Agency: M-Motion

Eoghan (pronounced Owen) Murphy is originally from Ireland and moved with his family to the Gold Coast when he was 10 years old. At 16 he successfully trialled as a professional footballer and played for two years with Sheffield Wednesday FC in Division 2.

At 19, Eoghan returned to the Gold Coast and embarked upon a career in real estate with M-Motion agency. At just 21 Eoghan has been awarded the REIQ Rookie of the Year, recognising an outstanding year of commitment and achievement in real estate.

Why did you enter the awards?

I entered the awards because I wanted to win! I knew that if I won this award, it would help propel my career to the next level.

How many times have you entered?

This was the first time that I entered...beginners luck!

What did you learn from the process? How can others improve their chance for success?

I believe that you should just stay true to yourself when answering the criteria. I think too many people would try to be someone else. Be yourself and it will take you further.

What are your three tips to someone who has entered and not yet succeeded?

- Look back on your failed attempts, learn from them and try to improve.
- Try and answer the criteria and the judges' questions (if you get there) in a way that 99% of agents wouldn't.
- Persistence is key. Don't quit, keep knocking on the door and you'll get there.



For those who have not yet entered, why should they do it?

It gives you the ability to have all the hard work, effort and energy that you've put into your job acknowledged with one of the highest accolades in the industry. Talk is cheap but the proof of the pudding is in the eating. And what better pudding than a nice shiny trophy!

Share some of your thoughts about the Awards gala dinner. What does it mean to be in a room of your peers?

Being my first one, I was amazed at how well the event was organised! It felt like we were at the Oscars! Standing up on stage and being applauded by some of the best in the industry is something I will never forget.

It gives you the ability to have all the hard work, effort and energy that you've put into your job acknowledged with one of the highest accolades in the industry.

What's on at the REIQ



Date: May 26

Event: AON/REIQ Real Estate Luncheon

About: The bearded economist, Tom Piotrowski, will deliver an insightful and thought-provoking presentation about the real estate market in today's economic climate. Join us for a fascinating and entertaining look at the blue chip world of international finance in a stunning setting – the Victoria Park Golf Complex. This popular event will prep you with all you need to know about the economy.

Details:

Date: Friday 26 May 2017

Venue: Victoria Park Golf Complex, Marquee

Time: 11.30am - Registration and networking drinks

12.00pm – 2.00pm - Lunch and presentations

Cost: Members \$125 | Non-Members \$150 | Table of 10 \$1,200 (inc GST)

RSVP: By Friday 12 May 2017



Date: June 14

Event: The REIQ QMM Market Outlook breakfast

About: Know what your market is doing right now by coming along to the Queensland Market Monitor breakfast hosted by REIQ. Hear from expert speakers who will talk about the data in the report, median house price movements, rental markets and the outlook for the rest of 2017.

Details:

Date: June 14

Location: Victoria Park Golf Complex, Herston.

Time: TBC

Cost: \$40



Date: 10 July – 28 July

Event: Queensland Auction Series

About: Let's get ready to rumble! 2017 Queensland Auction Series is coming this July, more details to be announced soon.

Details:

Date: Monday 10 July

Event: Auction draw and masterclass

Date: Tuesday 11 July

Event: Auction heats

Date: Friday 28

Event: Auction finals

CPD and zone breakfasts/lunch dates for May 2017

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

Date	Zone	Breakfast/Lunch	CPD	Venue
3 May	Mackay	7.30 – 9.00am	9.30 – 11.00am	Harrup Park Country Club
10 May	Toowoomba	7.30 – 9.00am	9.30 – 11.00am	Picnic Points Event Centre
11 May	Eastern	7.30 – 9.00am	9.30 – 11.00am	Victoria Point Sharks Sporting Club
17 May	Rockhampton	7.30 – 9.00am	9.30 – 11.00am	Rockhampton Leagues Club
18 May	Gladstone	7.30 – 9.00am	9.30 – 11.00am	Grand Hotel
18 May	Brisbane CPD only		9.30 – 11.00am	TBC
31 May	Bundaberg	7.30 – 9.00am	9.30 – 11.00am	The Waves

Date Claimer: Commercial CPD session | 17 May - 9.00 – 11.00am | Both date and venue to be confirmed

Congratulations Matt!

Done Deal - 1 Leopard Street, Kangaroo Point

REIQ member and Ray White New Farm principal and sales agent Matt Lancashire set a new sales record for a Brisbane property last month with the \$18 million sale of a Kangaroo Point property. Here, Matt tells the REIQ Journal how he secured the listing and what tactics he used to get his record-breaking price.





How did you land the listing?

I've spent a number of years building a relationship with the owner. When the time came, I made sure that I was over-prepared and had an in-depth marketing strategy that was not only tailored to the property but also was personalised to the vendors. Having an extensive, active high-end database was a contributing factor to my securing the listing.

How did you market the property?

The property was advertised nationally, focusing mainly on New South Wales, Victoria and also overseas, with international marketing focused on Asia.

The owners committed to a national print marketing campaign, which procured the purchaser.

My database generated more than 20 buyers who had the capacity to purchase the property and there were numerous offers submitted.

Share with us some of the marketing for the property:

Surpassing all standards of elegance and luxury, 1 Leopard Street

A property that surpasses all standards of luxury and elegance, one above all comparison, 1 Leopard Street is Brisbane's must-see home. Positioned on the cliffs of Kangaroo Point and sprawling an impressive 71.7m of uninterrupted direct city and river views, this exquisite private and exclusive property is ideally positioned and engineered to capitalise on every vantage point of this massive 1,184 square metre allotment. The home itself, immaculately designed, is the work of renowned designer Greg Harris, and showcases unparalleled opulence with limitless potential.

1 Leopard Street has been meticulously built and meets the very highest of residential standards. A commanding three-storey masterpiece, 1 Leopard offers over 1,445.5 square metres of living space elegantly set and blessed with arguably the most spectacular view in Brisbane. A design brief that materialised in to Brisbane's most exclusive home, this exquisite residence comes equipped with every necessity and luxury imaginable with Saint Lorraine marble flooring imported from Greece underfoot across the living and entertaining areas. This home includes five oversized bedrooms – three of which are located on the third floor, each of which have their own en suite and walk-in robe and every room benefiting from breathtaking direct views of the CBD and Story Bridge.

The home also comprises of a number of living areas and recreational rooms perfectly positioned throughout with the split-level construction offering the perfect level of privacy and subtle separation while continuing to focalise on the breathtaking view.

The lower level is home to a beautifully crafted and temperature controlled wine cellar finished in white birch and leather detailing. The cellar commands a view of the city while a glass window in the pool tastefully frames the Story Bridge, the intricacy in the design not letting you forget your location or position.



Located in the eastern wing of this home is the unrestrained home office with adjoining board room. This office is serviced by its own kitchenette, second office space and its own barbeque and outdoor dining area. A fully equipped home gym and steam room along with a fifth bedroom are also located on this level and all of which have been purposefully separated from the remaining house for privacy and segregation of home and work life.

What does this mean for Brisbane's prestige market?

Over the past 90 days I have negotiated and sold over \$61,000,000 worth of property over \$5m and in the past 14 days alone I have put more than \$12,000,000 of property under contract.

The upper end of the market is on fire, especially at the high end and with the value for money prospect so apparent in comparisons to other capital cities, our market is looking positive for the foreseeable future.

What prospecting tools do you use?

My prospecting plan does not deviate and my biggest prospecting tool is my phone. My phone bill totalled 1978 calls for the month of March (82 calls a day on average), 6 days a week and that's just my outbound calls. He who makes the most calls wins.





How to win the listing: Be prepared and be on time

WORDS BY JOHN NEWLANDS

REIQ Gold Coast Zone Chair John Newlands is the Managing Director of the Professionals Surfers Paradise. Mr Newlands has been in real estate for around 28 years, the past 18 of those as a principal.

"I entered the real estate profession after completing a plumbing/drainage apprenticeship. I would see agents showing and selling properties, and they were well-dressed and driving nice cars and I thought this looks like me," Mr Newlands said.

He has sold more than \$500 million of Gold Coast property throughout his career and is an experienced, successful sales agent, proficient at winning the listing.

Here, he shares his secret formula for winning the listings and a few tips for that first, all-important listing presentation:

Do your research: Have knowledge of the area. Know all the past sales as well as what is currently for sale in your area. If you have this knowledge you will look like the expert and this knowledge will also give you confidence in yourself.

Punctual: Always be on time, or even five minutes early, to show you are reliable. This is a reflection of your professionalism.

Be positive: Show energy and be positivity. No one will list with someone who is negative and pessimistic.

Be prepared: Be well-presented marketing material, always have your Form 6 ready to go, in case you obtain the listing there and then.

Ask questions: Ask what they are looking for in an agent. Ask them what their time-frame expectations are and if they have sold before. Get their thoughts on that experience as this will give you an insight into their thinking and what they like and don't like.

Reflect the client: Always try to be a chameleon and change your style to suit the client. For example, if they are more formal, I will be more formal, or if they are informal and casual, I'll be more casual. I tend to mirror their behaviour to help put them at ease, as usually they won't want to do business with someone they don't like.

Listen: Be a good listener and don't ask a question that they may have answered earlier in the conversation.

Be considerate: Show interest in their property and compliment them were appropriate (a person's home is an extension of themselves - and it is their castle!). If it has a steep driveway or faces the wrong way don't dwell on these points as there is nothing that can be done about it (it is what it is).

Sell your office: As well as selling yourself make sure you sell the benefits of your office, which could be the principal's knowledge and reputation, your sales colleagues, your franchise brand, the structure of an independent office, or your database and technology.

Be honest: Always be honest, sincere and transparent within yourself which has been the formula I have used in my career.

*Be considerate:
Show interest in
their property and
compliment them
were appropriate
(a person's home
is an extension of
themselves - and it
is their castle!).*

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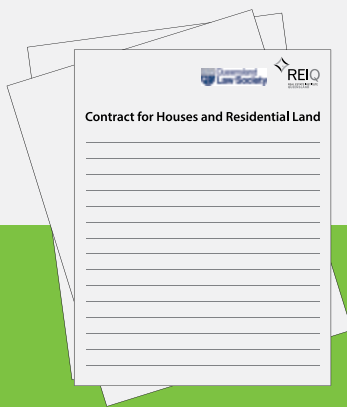
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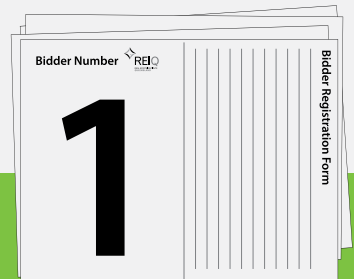
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- Time:** 11.30am | Registration and networking drinks
12.00pm – 2.00pm | Lunch and presentations
- Cost:** Members \$125 | Non-Members \$150 |
Table of 10 \$1,200 (inc GST)
- RSVP:** By Friday 12 May 2017

KEYNOTE SPEAKER

Tom Piotrowski is a market analyst with regular media commitments updating the general public on issues influencing local and global markets.

An expert in the economy and all things financial, Tom will provide an overview of the local and global economy and how these relationships might impact the outlook for the QLD property market.



TOM PIOTROWSKI

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