

# FEA

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**MARKET UPDATE**

**The key influencers**

**Embracing  
disruption**

The internet has  
changed the future

**The Future  
of our State**

Three key  
numbers

**Critical  
vote**

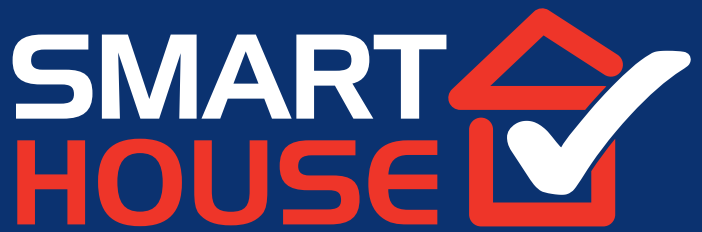
All eyes will be  
on November's  
State election

**Cladding crisis**

High-rise fires are  
a growing concern

 **REIV**





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## Carbon Monoxide Testing

Smarthouse is partnering with the REIV to help agencies and landlords meet the safety requirements for carbon monoxide testing.

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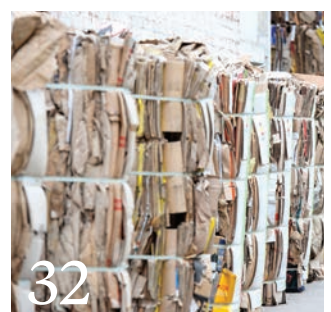
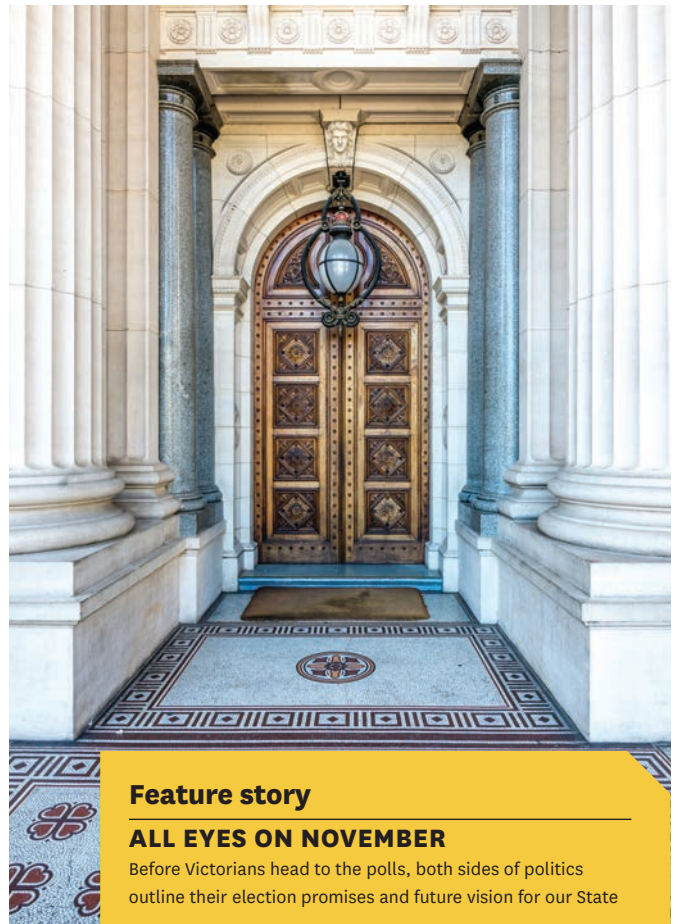
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**Richard Simpson** President REIV



## Property market may have cooled but its fundamentals are sound

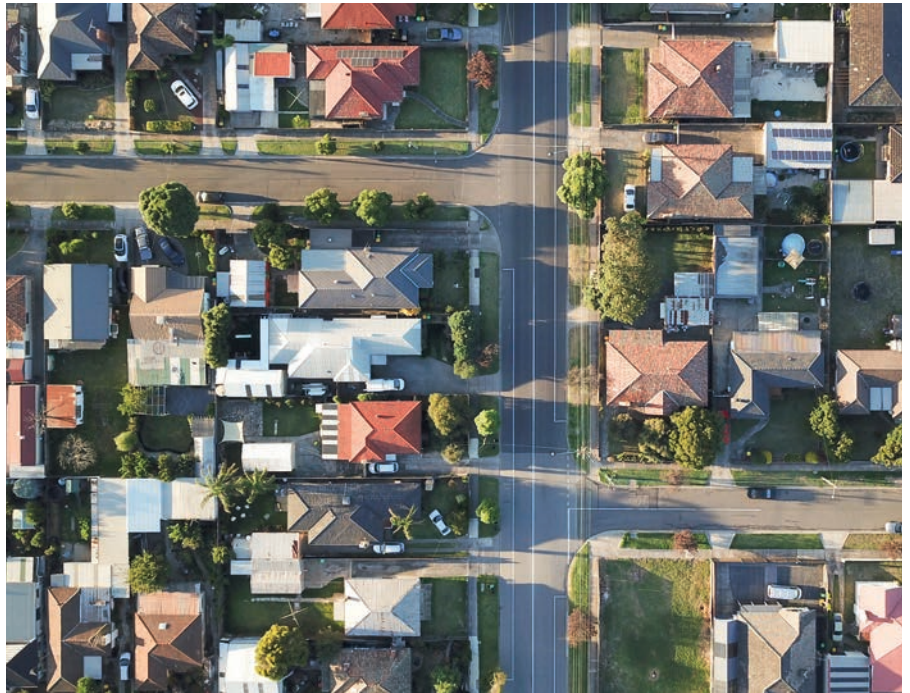
**T**he property market has cooled somewhat from the heady levels of 2017, with large reductions in auction clearance rates and sales, but only a slight contraction in the median price. After nine consecutive quarters of rising medians, the decrease is perhaps not surprising.

With its continued growth in both economy and population, I am confident that the fundamentals of the property market are sound. In the short term, it might be that vendors need to adjust their price expectations, because both the market signals and the media 'experts' are telling prospective buyers that prices won't be on the rise again any time soon.

Reduced activity is not the only challenge facing estate agents. As I mentioned in the last edition of *EA*, the industry is coming under increased scrutiny. The Victorian Government is continuing its reviews of real estate legislation and regulations. The REIV has been active in its advocacy to ensure that the proposed reforms are fair to all stakeholders.

Changes proposed to the Residential Tenancies Act late last year were anything but fair. If implemented, these reforms will tip the scales very much in favour of tenants. The REIV has been on the front foot with regards to the reform package, which the Government dubbed 'Rent Fair'. We have strongly promoted a petition drive to influence our politicians that 'Rent Fair' is indeed 'UNFair'. At the time of writing, signatures from agents, property managers, landlords, tenants and others number close to 20,000. Shadow Minister for Consumer Affairs, Hon. Heidi Victoria MP, has indicated that she will table our petition in Parliament at the appropriate time.

With just three sitting weeks left before the Parliament rises in preparation for the Victorian state election on 24 November, the



Government's resolve over RTA reform will be tested. If indeed, the legislation is introduced, the REIV will step up the pressure on Legislative Council crossbenchers and the Opposition to ensure the Bill is amended to our satisfaction or else defeated.

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### **The REIV has been active in its advocacy to ensure that the proposed reforms are fair to all stakeholders**

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All estate agents will be aware of the recent concerns over the validity of sales authorities that became apparent after the County Court decision in August 2017. Since that ruling, the REIV advocated intensely for a legislative fix, and assurances were given late last year that retrospective legislation would be put in place to protect agents' commissions.

The spotlight intensified in April 2018 when the Court of Appeal confirmed the previous County Court decision. Immediately following the appeal decision, the REIV stepped up its pressure on the Government to introduce immediate legislation to correct this administrative error by Consumer Affairs Victoria (CAV) that put agents' livelihoods at risk. This involved intensive communications with the Premier's office, the Minister for Consumer Affairs, the Director of CAV and the State Opposition.

On 9 June, Consumer Affairs Minister, The Hon. Marlene Kairouz MP, publicly declared: "We're fixing this problem, giving agents who acted in good faith reassurance their commissions will be protected by law."

In the final sitting week before the winter break, the Government introduced legislation to guarantee agents' commissions. At the time of

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writing, the Bill was still progressing through the Parliamentary process but is expected to pass through both houses of Parliament with bi-partisan support. The REIV will continue its vigilance regarding this and similar issues that arise from time to time.

I urge all our members to ensure they are using the most recent authorities which now comply fully with the *Estate Agents Act*. Should you have any doubt, please contact the REIV.

On November 24, Victorians will go to the polls to either re-elect the current Andrews' Labor Government or vote for a change to Matthew Guy's Liberals. Between now and then, we will be meeting with both sides to discuss not only their policies and promises but especially our members' growing concerns over the high levels of taxation on property, specifically stamp duty and land tax. At a time of significant budget surpluses, it was disappointing that the

### **I urge all our members to ensure they are using the most recent authorities**

current Government in its most recent Budget failed to deliver any substantial property tax relief or social housing initiatives.

Since coming to power, this Labor Government has introduced over 14 new property related taxes. Over the next three months, the REIV will be meeting with key Government Ministers and Shadow Ministers to outline our agenda and to continue to advocate strongly for reductions in and the removal of several property taxes.

Since the last edition of *EA*, we have welcomed a new non-executive member to the REIV Board, Brian Ward AO. Brian is a seasoned professional well-versed in governance, legal and



commercial matters. Brian has served the Australian Sports Anti-Doping Authority Advisory Group as Chair, and the Australian Red Cross as National Vice Chair. His experience in ethics and regulation will assist us in our development and support of members at an important time for our industry. [EA](#)

# **Selling your rent roll? Talk to the experts!**

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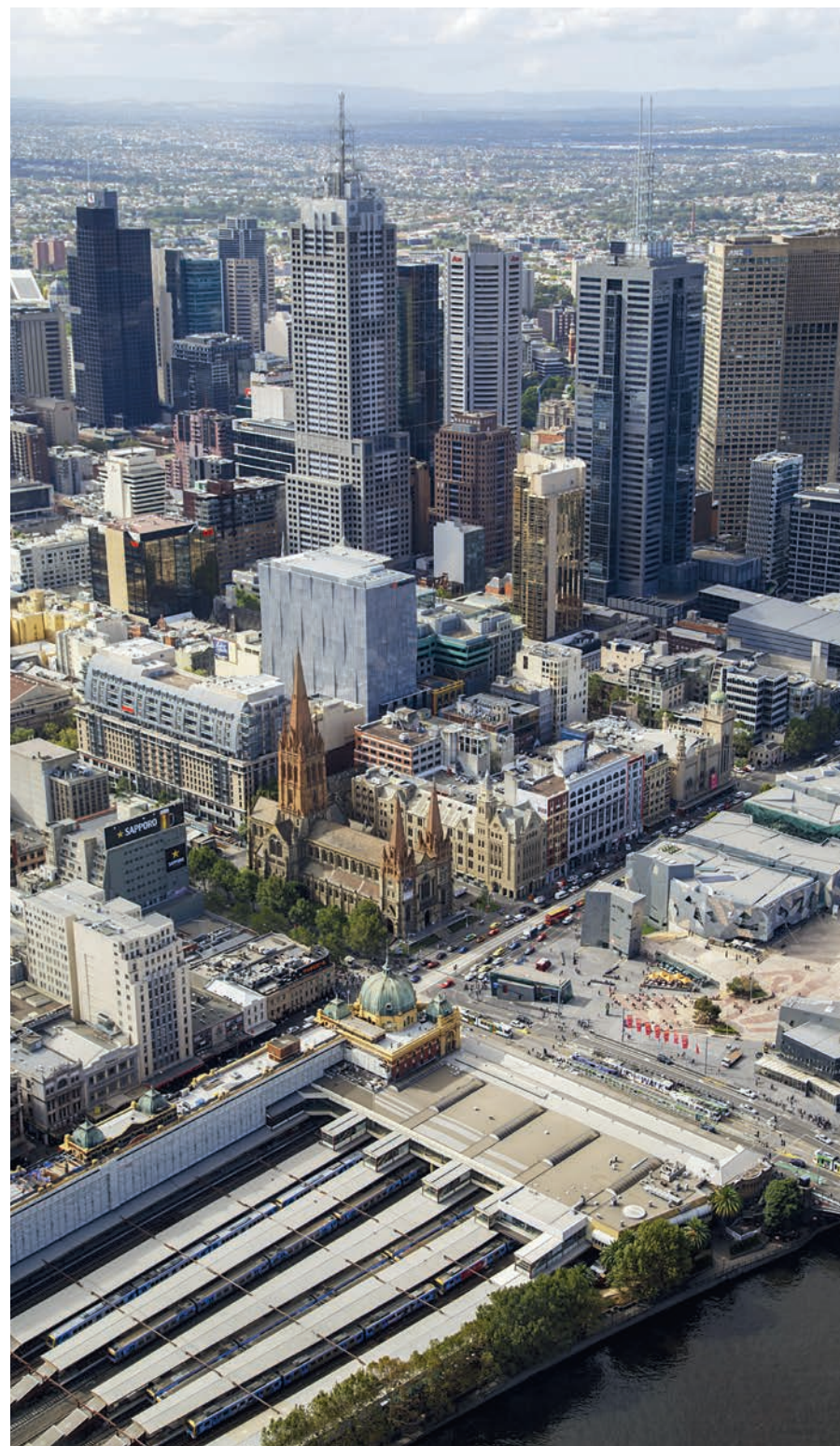
A professional headshot of Ross Hedditch, a middle-aged man with short brown hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling. The background shows a city skyline with several skyscrapers under a blue sky with light clouds.

REIV 1

Gil King CEO REIV



## Lead-up to state election a chance to reflect on impact of changes



**A**s we move towards the State Election on 24 November there is much on which to reflect. The past few years have seen many actual and proposed legislative and regulatory changes for the real estate industry and those employed therein. At first glance one might assume that the introduction of underquoting legislation in 2017 was the biggest change that we face. I do not think that we have yet seen the full impact of this legislation.

There is little doubt that Consumer Affairs Victoria (CAV) will still focus its enforcement weight towards the application of the Australian Consumer Laws, something it has done for many years. What we might see, in the not too distant future, is a plethora of smaller prosecution actions by CAV for specific breaches of the new State legislation. Especially in cases where the broader offence of misleading or deceptive conduct under the Australian Consumer Law cannot readily be made out.

I am cognisant of the fact that many of our members face the scrutiny of CAV officers quite regularly in relation to the underquoting laws. I would urge any Member who is given notice of an impending visit by CAV to their office in relation to underquoting enquiries to contact the REIV for advice and assistance. While we do not, and should not support any underquoting activities by agents, the REIV must be there to offer advice and assistance to our members before during and after the CAV process.

In this edition of *EA* there is an open letter to our members from President, Richard Simpson regarding the REIV's stance on underquoting – see page 15. This letter clearly outlines the Federal Court's view on the significant damage, harm and inconvenience to prospective

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residential buyers that underquoting can cause and its intention regarding financial civil penalties.

20 September is the last sitting day for the Victorian Parliament before the State Election and the ensuing nine weeks of caretaker mode. We will be watching with some interest the progress of any property-related legislation through the Lower and Upper Houses in the lead up to 20 September. One thing is certain and that is we must not allow legislation to be rushed through just because of the timing of Parliament and the State Election. Legislative change, if not well considered and properly debated, can cause significant disadvantage to those subject to the new laws.

At this time every year we also consider a different and yet equally important set of elections; that being

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**All too often the negative aspects of the industry grab the headlines. We should celebrate the overwhelmingly positive side of the real estate profession**

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the election of Directors to the REIV Board. Very soon we will be in a position to advise our membership of the outcome of this election process with two metropolitan and one regional Director seats being decided.

Regardless of the outcome, I would like to acknowledge the remarkable work done by the REIV Board over the past 12 months and wish any outgoing or incoming Directors the very best for the future. It is not an

easy job, and many are unaware of the hours that are committed to supporting the REIV and its membership in forums that extend way beyond the boardroom.

Our next edition will focus on the REIV Awards where winners and finalists will be recognised for their achievements. We are fortunate that we can acknowledge the excellence of our members because all too often the negative aspects of the industry grab the headlines. We should celebrate the overwhelmingly positive side of the real estate profession and take every opportunity to note that this is more representative of the profession than the few isolated less desirable matters that often are portrayed as the norm. [EA](#)

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