



AUSWIDE
REAL ESTATE SOLUTIONS



Hello again fellow agents
There seems to be some waning in the February/March strong market with lower auction clearance rates happening week by week and "mortgagee" sales happening again on a big scale.
Many of those buyers who took advantage of the lower lending rates and Government incentives were "punting" and the reality is that many made a serious mistake as they cannot now afford repayments.
Mortgage stress is affecting some 25,000 property owners in NSW- and it will soon mean even more "mortgagee" sales. And I don't believe it will just be the bottom end of the market. See page 2 to for a "guru's" prediction.

THE THIRD COMMANDMENT OF SUCCESS

THOU MUST CHART THY COURSE WITH CARE OR YE WILL DRIFT FOREVER

Without hard work ye have learned that ye will never succeed (Commandment I). So also, without patience (Commandment II). Yet one may work diligently and be more patient than others but still never rise above mediocrity unless plans are drawn and goals established.
No ship ever lifted anchor and set sail without a destination. No army ever marched into battle without a plan for victory. It is impossible to advance properly in life without goals.



Commandment III

When setting Goals you should consider the following:

1. Are they realistically achievable?
2. Are they specific enough?
3. Do they have a realistic timeframe?
4. Will they produce change?
5. Are they stimulating feel good objectives?
6. Are they for the individuals as well as the business?
7. Are they written and "on display" for daily reminder?
8. Are affirmations and visualisation used?

Goals should be considered for all areas of your life, not just business, and should include physical, mental, emotional, nutritional, educational, financial, spiritual, family and social.

FREE

Risk Management Questionnaire

Auswide has an updated 59 Question Checklist that will assist to ensure your office is OH&S and OFT Compliant.

To order a **free copy** of the Questionnaire just send us an email request.

HOLIDAY LETTINGS - TRAINING, SOFTWARE AND PROCEDURES MANUAL

Rick and Trish Wraight have been managing holiday letting properties for 30 years. Their agency, Tea Gardens Real Estate, employs 10 staff with two staff managing 160 holiday properties.

Rick's experience has lead him to hold the following positions;

- REI of NSW Holiday and Short Term Rental Chapter Committee
- Chairman of realestaterworld.com.au

with their office being the winner of the 2008 REI of NSW Award of Excellence in Holiday and Short Term Rental. Rick and Trish are joint developers and partners in the highly successful holiday management software system YesBookit.

Rick now runs day courses in managing Holiday Management, which generates 3 times more net profit than normal property management. You can contact Rick or Trish on 4997 1300 for details on their Holiday Letting software or Training, or the new Holiday Lettings Management Procedures Manual soon to be released.

OFT ON THE PROWL



OFT investigators are currently carrying out a series of covert inspections at real estate auctions across inner Sydney on the lookout for under quoting and dummy bidding.

Fair Trading Minister Virginia Judge said the Government initiated the investigation – codenamed Operation Bidder - to ensure consumer confidence in the integrity of the property auction process.

"While there is little evidence of widespread under quoting and dummy bidding in NSW, there has been a spike in the number of property auctions" Ms Judge said.

"Misleading buyers and vendors, under quoting and dummy bidding aren't just unfair and unethical practices – they are illegal. Operation Bidder puts the industry on notice that the NSW Government will not hesitate to enforce our tough laws."

Apart from assessing for under quoting, Operation Bidder includes spot checks to determine:

- Notice of the principal's reserve price has been given in writing to the auctioneer before the auction commences,
- A legitimate sales contract is in place for the property,
- Auctioneers and agents are properly licensed,
- All bidders are formally registered and
- There are sufficient notices of the conditions of the auction displayed throughout the auction venue to allow all persons attending to be able to read them.

Fair Trading investigators can issue on-the-spot penalty notices of up to \$2,200 for breaches of the *Property Stock and Business Agents Act 2002*. Detection of serious breaches will be thoroughly investigated with a view to taking further disciplinary action according to the Minister.

Auswide Real Estate Solutions is a division of Company Eighty Eight Pty Ltd (ABN 52 003 626 784)
Suite 20, 7 Bortfield Drive, Chiswick 2046 | P 02 9712 0327 | M 0407 771 355 | E info@auswiderealestatesolutions.com.au



AUSWIDE
REAL ESTATE SOLUTIONS

HOUSING TIPPED FOR PRICE IMPLOSION



AUSTRALIA is in the midst of an unsustainable housing bubble that could burst at any time, warns the man who predicted the global credit bust of 2007.

Edward Chancellor, of US investment management firm GMO, says the Australian economy is yet to emerge from the global financial crisis, despite the widespread belief it has escaped the worst of it ahead of the rest of the world.

Mr. Chancellor, who's "Crunch Time for Credit?" was published in 2005, estimates Australian house prices are more than 50 per cent above their fair value -- a once in 40-year event. "If house prices were to revert to their historic long-term average (ratio of average price to average income) they would fall quite considerably," he told The Australian.

He said prices would have to fall by more than a third to reach fair value -- although some of this fall would be cushioned by income growth. He described Australia's banking system as a "cartel" and said luck rather than skill had allowed the Australian economy to fare better in the global financial crisis than other developed economies.

He attributed Australia's "luck" to a comparative lack of competition among local banks, enabling them to avoid much of the reckless lending that occurred in the US, as well as the commodities recovery led by China.

"My view is Australia had a private sector credit boom just like the US and the UK and it had a real estate boom," he said.

"Those are the facts and you can't paper over them. In this environment, house prices rose last year and that seems to me to actually have exacerbated the problem. The problem is the bubble and that hasn't gone away."

A key area of concern for Mr Chancellor was first-home buyers. As interest rates rose, the ratio of their mortgage repayments to their income would rise to very high levels, he said.

"It's the rising interest rates, particularly with real estate bubbles, that tend to generate the collapse," he said.

Another potential trigger was China, particularly if the demand for iron ore, coal and liquefied natural gas were to collapse.

"We would see the Chinese demand for Australian commodities as being potentially vulnerable," Mr Chancellor said.

He said he expected the negative news in Australia to come from "the housing market falling under . . . the sheer weight of its overvaluation and lack of affordability" and a "terms of trade shock". Everyone referred to Australia as the lucky country, he said. "I think that's pretty apt."

However, "given the great growth in private sector credit and the vulnerability of the housing market . . . Australia is not out of the woods. It hasn't even entered the woods."

Source- Katherine Jimenez- *The Australian* 3 May 2010



Updated Anti-Discrimination Legislation

Under the updated Federal legislation you can NEVER discriminate against an employee on the grounds of their:

- **Sexual preference** (this includes being heterosexual, homosexual, bisexual or transsexual);
- **Participation in lawful sexual activity** (this includes sex workers);
- **HIV, aids, tuberculosis or hepatitis A, B or C status** (in the past or present);
- **Criminal record** (this includes discriminating against someone whose conviction has become spent);
- **Personal association** (this includes discriminating against someone because of who their friends, relatives, work colleagues or associates are);
- **Employment activity** (this includes querying someone's employment rights or entitlements);
- **Age;**
- **Race** (this includes their colour, descent, ethnic or national origin or nationality);
- **Religious belief or activity** (this includes a lack or absence of religious conviction);
- **Marital status** (this includes being single, married, separated, divorced, widowed or having a de-facto partner);
- **Carer status** (having the responsibility for the care of an immediate family member, whether that person is a dependent or not, other than in the course of paid employment);
- **Parental status** (being a parent or not);
- **Pregnancy or potential pregnancy** (someone who is pregnant or is likely to become pregnant);
- **Breastfeeding** (this includes breastfeeding a child or expressing milk);
- **Physical features** (including height, weight, body shape, disfigurement, skin condition, scar or birthmark);
- **Impairment/disability** (this includes discriminating against someone on the grounds of a physical, intellectual, sensory, neurological or learning disability or an emotional illnesses or condition, either past or current);
- **Participation in lawful industrial activity** (being or not being a member of a union);
- **Political belief or activity** (this includes a lack or absence of political conviction);
- **Gender and gender identity** (someone who identifies with a particular gender by their style of dress, medical intervention or other means, including a change of name); or
- **Sex** (i.e. their gender).

Management needs to be very mindful of their responsibilities in regard to these issues with staff. As well, all staff should be made aware that they too cannot discriminate against their fellow employees in regard to any of the above circumstances.

It is suggested you copy this new information and distribute to all management personnel and employees.

Until next Newsletter - Best regards
Alan Fleming

Auswide Real Estate Solutions is a division of Company Eighty Eight Pty Ltd (ABN 52 003 626 784)
Suite 20, 7 Bortfield Drive, Chiswick 2046 | P 02 9712 0327 | M 0407 771 355 | E info@auswiderealestatesolutions.com.au