

# The Real Estate Wrap

## With Leanne Pilkington

President of the REINSW  
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### A new dawn?

If the Real Estate Institute of NSW has its way, the experiences of working with a real estate agent could be vastly different in the near future.

There's beef between the industry's foremost representative body and the NSW Government. Much of it revolves around the REINSW's push towards improved industry standards and having real estate recognised as a profession in its own right.

There have been roadblocks. NSW Fair Trading has worn some of the blame. Its decision a few years ago to remove the obligation for real estate agents to lodge their annual trust account audits – which was supposed to cut red tape – instead eroded consumer protections and resulted in cases of trust account fraud by unethical agents. The decision has since been reversed, but for many vendors, the damage has been done.

In a move equally criticised, Fair Trading recently announced its intention to de-licence auctioneers. It's very dangerous territory, the REINSW claimed, given an auction is effectively the making of a contract – and a property is an asset of pretty significant value.

This move, too, was subsequently reversed but nevertheless, the disconnect between regulators and operators is apparent.

Making agents more accountable, requiring stricter levels of education, training and compliance, will enhance the trust consumers have in agents. It will also mean consumers are better protected. So why the resistance?

If it seems confusing, well, it is. It would be fair for consumers to assume that an industry's attempts to improve its own professional standards would be supported by the Government body overseeing that industry. Especially when consumer protection is at the heart of the matter.

For the REINSW's part, they aren't letting it go. The institute continues to engage with different stakeholders, insider and outside the industry, to move towards accreditation as a recognised profession.

How the onset of professionalism manifests for the individual vendor working with an agent to sell their property remains to be seen. For some, the experience will remain essentially the same. That is, agents who have embraced the push for professionalism presumably have the proper training, education and systems in place to deliver the kind of customer experience and add the appropriate value that will soon be the norm.

For other agents, those who underquote, inflate price expectations to win listings, or use any of the under-handed tactics that give agents a bad name, a shock to the system awaits.

Continued...



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### This week's numbers

We start with a worrying figure. But not an unexpected one. On Monday, Tim Lawless, Head of Research at CoreLogic, said: *"Since peaking in July last year, Sydney's housing market is down 9.5% which is on track to eclipse the previous record peak-to-trough decline set during the last recession when values fell 9.6% between 1989 and 1991."*

A "rebalancing towards buyers over sellers" is apparently taking effect. It's why clearance rates are where they are, and have been, for some time.

This week, Sydney recorded a preliminary clearance rate of 50.6%, according to CoreLogic, compared to 52.4% seven days earlier. In all, a solid 927 homes were offered under the hammer, a number just down on a week before. We expect this week's final auction clearance rate to be similar to last week, which came in at 44.8%.

Price decline data, especially at this time of year, is going to be felt on the ground at auctions across the city. Steady clearance rates are a natural market response.

### Final thought

We spoke about the rise of professionalism earlier. When the market turns, as it invariably will, and we start to see price growth return, consumers will ideally have extra confidence in the agents they work with.

Now is the time when career agents identify themselves. Real estate businesses which plan on serving customers into the long-term future are doubling down at the moment. Instead of letting people go, they're looking to build their ranks. Instead of looking for shortcuts, they're investing in new efficiencies.

So when choosing an agent, take a closer look at their business. Visit their office. Gauge the level of activity, the sense of urgency, the degree of enthusiasm. Check out the body language. Make a determination as to whether they are building a resilient operation despite the challenges, or shedding resources to cut costs.

And ask them how their business is tracking. A career real estate agent will not shy away from tough questions.

