

PIPA ADVISER

ISSUE #8

For members of the Property Investment Professionals of Australia

2018 PIPA MEMBER SURVEY

INVESTORS DESERT

SYDNEY

FOR

Brisbane

PROPERTY
INVESTMENT
PROFESSIONALS
OF AUSTRALIA

PIPA



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PIPA *mission:*

PIPA (Property Investment Professionals of Australia) has been formed by industry practitioners with the objective of representing and raising the professional standards of all operators involved in property investment.

The *PIPA ADVISER* is a bi-monthly title published six times a year by PIPA (Property Investment Professionals of Australia)
www.pipa.asn.au

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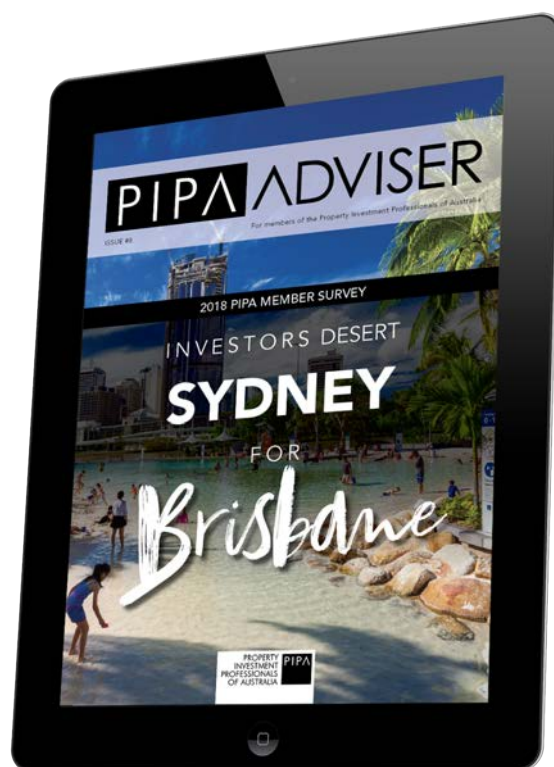
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RESEARCH - COVER STORY

Less than four per cent of property investment experts believe Sydney offers solid prospects in 2018, according to the 2018 PIPA Member Survey.



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PIPA hits the road...

Welcome to the latest issue of the PIPA Adviser. The start of 2018 has been a busy time for the board as well as the property investment sector.

Results from our annual member survey were discussed by the board at its meeting in Adelaide in early March, which means we're hitting the road this year!

We asked which networking events you wanted this year and the overwhelming majority said breakfasts with expert guest speakers.

The second most popular networking event was a half-day seminar, which is on the radar for the first half of 2019.

We are currently in the planning stages of the networking breakfasts with the first one scheduled for Sydney in July.

Members also asked for more webinars on topics that will benefit their business practice.

The board is currently planning monthly webinars, which will enable members to learn more about every facet of our profession. Keep an eye out for updates very soon.

Please feel free to email me on peterkoulizos@pipa.asn.au if you'd like to suggest any speakers or provide any other input into any of these events.

The survey results, which are outlined in greater detail in this issue, also showed that our members are optimistic about

the year ahead and intend to hire more staff.

Members remained concerned about the lack of regulation of property investment, with lobbying a key focus of the board this year.

Our nation's property markets continue to transition – some from strong to soft market conditions, like Sydney.

Others like Hobart are continuing to record solid price growth, while Brisbane is certainly on the radar of investors and advisers from around the country so it will be interesting to see how its market performance progresses throughout the year.

The lending space, while still restricted, seems to be more friendly to investors at the start of this year so we can only hope this is the beginning of the end of sophisticated investors being unfairly targeted in the APRA crackdown. ▣

PETER KOULIZOS
PIPA CHAIRMAN

PIPA media kit

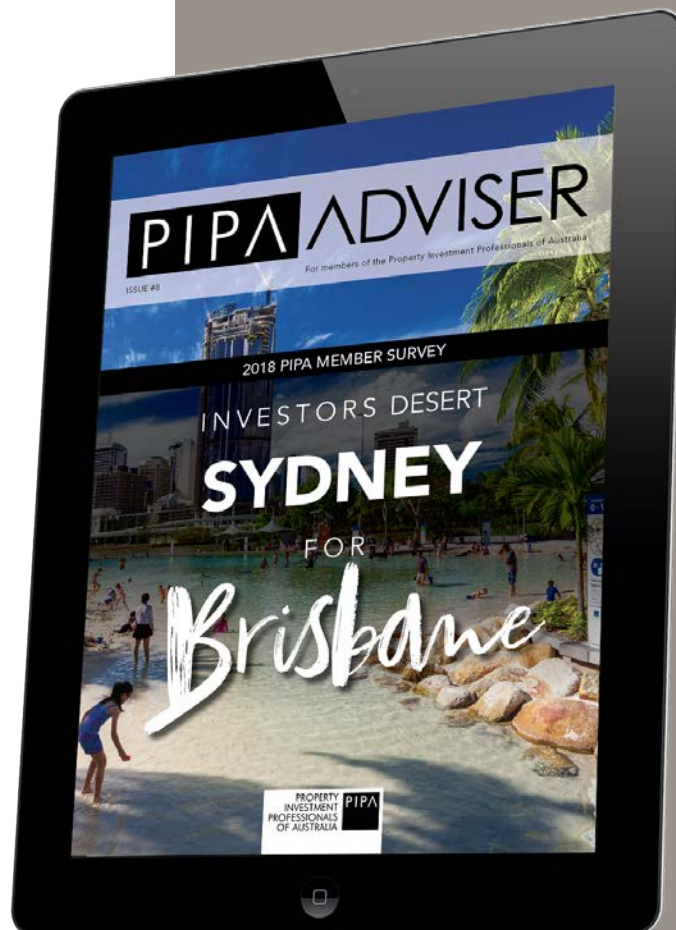
The Property Investment Professionals of Australia (PIPA) is the peak national property investment industry association. Our members subscribe to a Code of Conduct which considers all consumers and commits to disclosure and a high standard of best practice.

The **PIPA Adviser** is a bi-monthly industry e-magazine that features the latest industry news, research and state market analysis as well as PIPA happenings including upcoming events and media mentions.

Delivered to hundreds of PIPA members every two months, the **PIPA Adviser** has a potential reach of

thousands of property investment professionals across Australia.

As the only e-magazine dedicated to the property investment advice sector, the **PIPA Adviser** offers advertisers the unique opportunity to reach a dedicated and sophisticated audience of property investment professionals.



Membership of PIPA is open to all professionals working within the field of property investment advice and can include:

- ▶ Qualified Property Investment Advisers (QPIAs)
- ▶ Mortgage brokers
- ▶ Tax accountants
- ▶ Buyers' agents
- ▶ Financial planners
- ▶ Conveyancers, solicitors and lawyers
- ▶ Education and research providers
- ▶ Property managers
- ▶ Building and/or pest inspectors
- ▶ Licensed builders
- ▶ Developers
- ▶ Quantity surveyors
- ▶ Real estate sales agents
- ▶ Licensed valuers.

ADVERTISING DEADLINES AND PUBLICATION DATES:

ISSUE	ADVERTISING DUE	DISTRIBUTION
June 2018	1 June 2018	29 June 2018
August 2018	3 August 2018	31 August 2018
October 2018	5 October 2018	31 October 2018
December 2018	2 November 2018	27 December 2018

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KIERAN CLAIR
Editor, PIPA Adviser

Melbourne's market staying strong

Melbourne's property market has hit the ground running with prices continuing to strengthen and interstate migration soaring.

According to CoreLogic, Victorian net migration over the year to June 2017 hit nearly 105,000, which was a record high.

CoreLogic Research Analyst Cameron Kusher said the sky-high rate of migration was unlikely to keep accelerating but it wasn't likely to fall dramatically either.

"As a result, that will continue to support demand for housing in the city over the year," Kusher says.

"Our view is that the rate of value growth is likely to slow in 2018, a trend that was already evident late

in 2017 and in early 2018. This is largely due to stretched affordability and reduced investor demand both from regulatory changes and historic low yields.

"While Melbourne is expected to slow, we have seen demand in nearby markets like Geelong/Surf Coast, Latrobe, Bendigo and Ballarat seeing value growth accelerate. As people are increasingly priced out of the Melbourne market we expect that demand in these markets will remain strong and potentially strengthen during the year."

OWNER OCCUPIERS MAKING THEIR MARK

Increased market participation by owner-occupiers has boosted the price of larger homes across the city, according to the Real Estate Institute of Victoria (REIV).

New REIV data has found that three-bedroom houses outperformed all other property types in the December quarter, increasing 2.6 per cent to a citywide median price of \$730,000.

REIV president Richard Simpson said traditional three-bedroom



“The bridesmaid effect is really driving buyers.”

family homes in the city’s outer suburbs experienced the strongest price growth, up 17.2 per cent over the quarter to a median of \$587,000.

“Space is at a premium in Melbourne, which is encouraging more family buyers to consider established suburbs in the city’s outer ring,” he said.

“The bridesmaid effect is really driving buyers with families further from the city, with strong growth within 20km of the CBD pricing owner-occupiers out of these markets.

TOP ANNUAL GROWTH SUBURBS FOR UNITS/APARTMENTS

SUBURB	DEC-17 MEDIAN	ANNUAL CHANGE
1. THOMASTOWN	\$459,000	34.9%
2. RESERVOIR	\$585,000	28.0%
3. BRIGHTON	\$1,085,000	26.7%
4. THORNBURY	\$605,000	26.3%
5. GLEN IRIS	\$680,000	25.7%

SOURCE: REIV

“Changes to densification and height restrictions in the past year have increased demand from developers in the inner and middle rings, with larger homes and land blocks in these areas pinpointed for future development.”

He said traditional homes in outer Melbourne remained relatively affordable by comparison, with buyers able to purchase a home with a backyard for less than half the price of those in inner Melbourne.

Melton and Melton South in the city's west experienced some of the strongest quarterly price growth for this property type, up 17.8 and 14.7 per cent respectively, according to the REIV.

Despite the growth, the median price of a three-bedroom house in both suburbs remains under \$400,000.

“Suburbs better known for their affordability were the city's top performers for family homes, as buyers looked for new growth areas to enter the market,” Mr Simpson said.

He added that four-bedroom homes had also performed strongly in the December quarter, up 2.5 per cent to a citywide median of \$851,000.

Hoppers Crossing in the south-west saw the largest increase for four-bedroom houses with the median price increasing 12.6 per cent to \$595,000.

Meanwhile, citywide two-bedroom houses are the most expensive property type with a median price of \$900,000.

REGIONAL REBOUNDING

Victorian regions are the likely beneficiaries of increased demand due to affordability concerns in the capital city.

According to CoreLogic, median values across the Latrobe-Gippsland region increased 2.1 per cent over the year to December 2017, similar to the 2.0 per cent increase seen across the much smaller unit market.

Sales volumes fell over the year with 5,195 houses and 641 units transacting over the year.

Although sales volumes are down, homes are selling faster across the region when compared to November 2016, with a typical house now selling in 114 days, six days faster than one year ago, and a typical unit selling 10 days faster (122 days).

Discounting levels have moved from -7.0 per cent to -6.4 per cent for houses, while for units, vendors are discounting by -5.9 per cent compared to -6.5 per cent last year.

Rental rates and indicative rental yields were unchanged over the year.

Geelong's median house value was \$466,381 in December 2016, five per cent higher than the previous year, while unit values increased by 3.1 per cent to \$335,480, according to CoreLogic.

The number of homes selling across the region fell -2 per cent over the year, with 6,234 dwellings selling over the 12 months to November 2016.

Current sales transaction levels are six per cent higher than the five year average.

Advertised rental rates have increased over the year, up three per cent for houses to \$340 per week and 1.8 per cent for units to \$290, according to CoreLogic.

APARTMENTS A GATEWAY TO PREMIUM SUBURBS

With house prices in Melbourne's premier suburbs out of reach for the majority of buyers, apartments

TOP QUARTERLY GROWTH SUBURBS FOR UNITS/APARTMENTS

SUBURB	DEC-17 MEDIAN	SEP-17 MEDIAN	QUARTERLY CHANGE
1. CLAYTON	\$725,000	\$470,000	54.3%
2. BRIGHTON EAST	\$1,255,000	\$892,000	40.7%
3. SOUTH MELBOURNE	\$783,000	\$572,500	36.8%
4. MOONEE PONDS	\$650,000	\$505,000	28.7%
5. BENTLEIGH	\$1,112,500	\$875,000	27.1%
6. CHELTENHAM	\$755,000	\$600,000	25.8%
7. MELBOURNE	\$567,500	\$463,500	22.4%
8. PRESTON	\$615,000	\$505,000	21.8%
9. HIGGETT	\$815,000	\$687,500	18.5%
10. MOUNT WAVERLEY	\$1,040,000	\$895,000	16.2%

could be the answer for those desiring to live in the city's most desirable locations.

New REIV data has found that buyers looking to enter Melbourne's most exclusive suburbs can save millions by purchasing an apartment or unit rather than a house.

In the last three months of 2017, buyers could secure an apartment in Toorak for \$940,000 – less than a quarter of the suburb's median house price of \$4.6 million.

Savings of more than \$2.1 million were also possible for buyers who purchased an apartment rather than a house in the inner-city suburb of Hawthorn, which has a median apartment price of \$611,000.

At \$661,000, apartments were also the ideal entry point for buyers in Caulfield North which boasts a median house price of \$2.4 million.

Million-dollar savings were also possible for buyers purchasing an apartment in the upmarket suburbs of South Yarra, Brighton and Balwyn.

REIV President Richard Simpson said apartments remain relatively affordable, even in many of the city's most exclusive neighbourhoods.

"Apartments and units are ideal for buyers who don't want to compromise on location or amenities, offering an entry point to many of Melbourne's most expensive suburbs," he said.

"Apartments allow buyers to enter a multimillion-dollar suburb for just a fraction of the price of houses in the same suburb.

SUBURBS WITH THE LARGEST DIFFERENCE BETWEEN HOUSE AND UNIT MEDIAN			
SUBURB	MEDIAN HOUSE PRICE	MEDIAN UNIT PRICE	DIFFERENCE
TOORAK	\$4,600,000	\$940,000	\$3,660,000
HAWTHORN	\$2,718,000	\$611,000	\$2,107,000
CAULFIELD NORTH	\$2,405,000	\$661,000	\$1,744,000
SOUTH YARRA	\$2,280,500	\$608,000	\$1,672,500
BALWYN	\$2,450,000	\$820,000	\$1,630,000
BRIGHTON	\$2,700,000	\$1,085,000	\$1,615,000
HAWTHORN EAST	\$2,130,000	\$597,000	\$1,533,000
CAMBERWELL	\$2,303,000	\$790,000	\$1,513,000
SURREY HILLS	\$2,285,000	\$824,500	\$1,460,500
KEW	\$2,150,000	\$705,000	\$1,445,000
GLEN IRIS	\$2,080,000	\$680,000	\$1,400,000
ESSENDON	\$1,715,000	\$540,000	\$1,175,000
PRAHRAN	\$1,550,000	\$590,000	\$960,000
HAMPTON	\$2,050,000	\$1,102,930	\$947,070
FITZROY NORTH	\$1,504,000	\$645,000	\$859,000
DONCASTER	\$1,405,000	\$579,000	\$826,000
RICHMOND	\$1,280,000	\$495,000	\$785,000
NORTHCOTE	\$1,350,000	\$580,000	\$770,000
BRUNSWICK	\$1,250,000	\$513,500	\$736,500
MOONEE PONDS	\$1,335,000	\$650,000	\$685,000

“While apartments typically don’t see the same level of growth as houses, the apartment market performed strongly last year with double-digit price increases across the city.”

He said first homebuyers in particular should consider an apartment or unit as a way of getting into the property market, with the majority of Melbourne suburbs recording median apartment prices below the \$600,000 barrier.

“Smaller properties also allow buyers to build equity in their home

and move up the property ladder,” he said.

Mr Simpson added that apartments were also delivering dividends for investors with strong capital gains being recorded in a number of inner- and middle-ring suburbs, including Thomastown, Reservoir and Thornbury.

“Larger apartments are certainly seeing some of the strongest growth across Melbourne while a car park continues to add significant value in inner-city areas.”



MARGARET LOMAS
Legal & Risk Committee, PIPA

Non-disclosure of commission number one consumer complaint

Thankfully the number of consumer complaints against PIPA members is small, but they are usually about one thing – non-disclosure of commissions.

It's vital that PIPA members understand that disclosure is not only one of the key requirements of membership, it also sets us apart from unscrupulous operators.

While the PIPA board continues to fight for legislation in the property investment advice space, members must recognise that, until that time, we really must do the government's work for them.

Of course, one of the ways to do that is to disclose commissions

to your clients, however, it seems that some members are failing to do this.

The committee does take complaints against members seriously and we have expelled people from the association in the past.

FIVE CORE VALUES

PIPA supports profitable business and wishes to ensure that all members have the greatest

opportunity to operate profitably within the parameters set down by our Code of Conduct.

To ensure a high standard is maintained, the code has been developed for all persons acting on behalf of PIPA, including, but not limited to, board members, regional councils and committees, employees, consultants and contractors.

The purpose of the code is to provide a framework for applying

Disclosure is a key tenet of PIPA's Code of Conduct.

the five core values underpinning PIPA's commitment to excellence, which are:

- ▶ Professional Development
- ▶ Leadership
- ▶ Disclosure
- ▶ Respect
- ▶ Integrity

FEES AND COMMISSIONS

Disclosure is a key tenet of PIPA's Code of Conduct, and it requires members to disclose to clients, in writing, all fees and commissions which are associated with the provision of services, so they may make proper assessment of the value of that service.

This includes all commissions, payments, kickbacks and soft or hard dollar rewards which may be triggered by the utilisation of any of your services.

MANAGE CONFLICT OF INTERESTS

Members must manage any situation, in the performance of duties, which may create a conflict of interest.

Where a conflict of interest occurs, members must advise PIPA immediately and do all they can to indemnify PIPA against any issues arising.

Members must also disclose conflicts of interest to clients as soon as they become aware of this, including any material interest in the accessing of any offered product.

USE POSITION FOR PROPER PURPOSE

Members should utilise the PIPA logo, members website and marketing material, including a reference to a "commitment to the code of conduct".

Members must always use their position for a proper purpose and not take advantage of that position for personal gain or to disadvantage PIPA.

ADVOCATE AND REPORT

Members must also advocate the code and report any breaches to PIPA, who will deal with them in accordance with appropriate procedures.

PIPA works to ensure that the matter is dealt with promptly and fairly, that the person making the report is not disadvantaged in any way, and that the person to whom the report refers is given an opportunity to respond.

COMPLAINTS HANDLING

Members must also develop a Complaints Handling Procedure that is to be presented to all clients, in writing, at the first consultation.

Members should utilise the PIPA logo on members website and marketing material.

PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA **PIPA**

PIPA membership renewal

Membership no

Member name DUE DATE

Membership Level Renewal fee including GST (no changes)

Categories

Additional Locations

Step 1

Please answer the following questions. Where the answer is 'YES', new information is to be supplied. Please complete the relative sections of the membership application form and submit with this renewal.

Since your application or in the last 12 months;

- Has there been any change to your place of business or contact details? ☐ Y/N
- Has there been any change to the directors of the company or proprietors of the business? ☐
- Has there been any change to the nature of your business activities or advising activities? ☐
- Has there been any change to the number of advisers in the business? ☐
- Have you or any of the directors of the member company been refused an ASIC Dealers' Licence or Australian Financial Services Licence or had one varied, suspended or revoked, had an industry association membership suspended, censured, revoked, had any discipline proceedings against me through such an organisation or regulatory agency in Australia or any other country, been convicted of or been charged with any offence in Australia or any other country, been a director of a company which has gone into voluntary liquidation, or had a receiver or provisional liquidator, scheme manager or an official manager appointed, been declared bankrupt nor had any such action pending, been a defendant in a civil action which includes but not limited to any lawsuit, arbitration, conciliation or mediation relating to professional, business or personal conduct, had any claims against Professional Indemnity Insurance or complaints made to any external dispute resolution scheme, had any Professional Indemnity Insurance cover refused, been engaged in any matter that may bring PIPA into disrepute or be prejudicial to the interests of PIPA, been known by any other name, aware of any other matter that should reasonably be declared to PIPA ☐

If you are unable to make this declaration, please provide additional details

New Request for additional information:

In light of the increase evidence of non compliance with regards to full disclosure of fees and commissions to consumers, the PIPA Board is now requesting evidence be presented by renewing members regarding their disclosure documentation to prospective clients.

This declaration of your renewal of membership now requires you to provide all relevant documentation demonstrating how all fees and commissions are disclosed to prospective clients, including disclosure of all related fees and commissions received from all related or interested parties.

Note: PIPA is not seeking to understand the amounts of these commissions – this is private and commercial in confidence. PIPA just wants to a record of the documentation provided to the prospective client you are seeking to professionally service to demonstrate compliance with our Code of Conduct.

Tick the box in this section if you do not pay commissions or referral fees to related internal parties or other parties involved in the services you provide. I.e. you operate your business as a fee for service to consumers only ☐

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This Complaints Handling Procedure must include strategies for dealing with complaints and the contact details of an external complaints handling organisation, to which the complaint will be referred in the event that a resolution cannot be agreed upon.

The person initially assigned to deal with the complaint should have the authority to determine and respond to any complaint made by a consumer.

Written notes about any complaint should be made, and a copy presented to the complainant.

Members must ensure that a consumer is treated courteously when making a complaint.

A member must not, subject to statutory requirements, impose any fee on a consumer who makes a complaint.

And finally, members must always maintain a record of written complaints made against that

PIPA members now have to provide evidence of their disclosure process when they renew their membership.

**Members
must always
comply with
the code.**

member in the form and manner stipulated by the Board from time to time.

COMPLIANCE WITH LAWS AND THE PIPA CODE OF CONDUCT

Members must always comply with the code, the Corporations Act 2001, the Australian Securities and Investments Commission Act 2001, the Uniform Consumer Credit Code, the Trade Practices Act 1974 and other Fair Trading legislation, and other laws and regulations applying to a loan transaction or service provision from the time of initial consultation, until the transaction is closed.

NEW REQUEST FOR ADDITIONAL INFORMATION

Because of the number of complaints about non-disclosure of commissions, PIPA members now have to provide evidence of their disclosure process when they renew their membership, if applicable.

Membership renewal requires the provision of all relevant

documentation demonstrating how all fees and commissions are disclosed to prospective clients, including those concerning the disclosure of all related fees and commissions received from all related or interested parties.

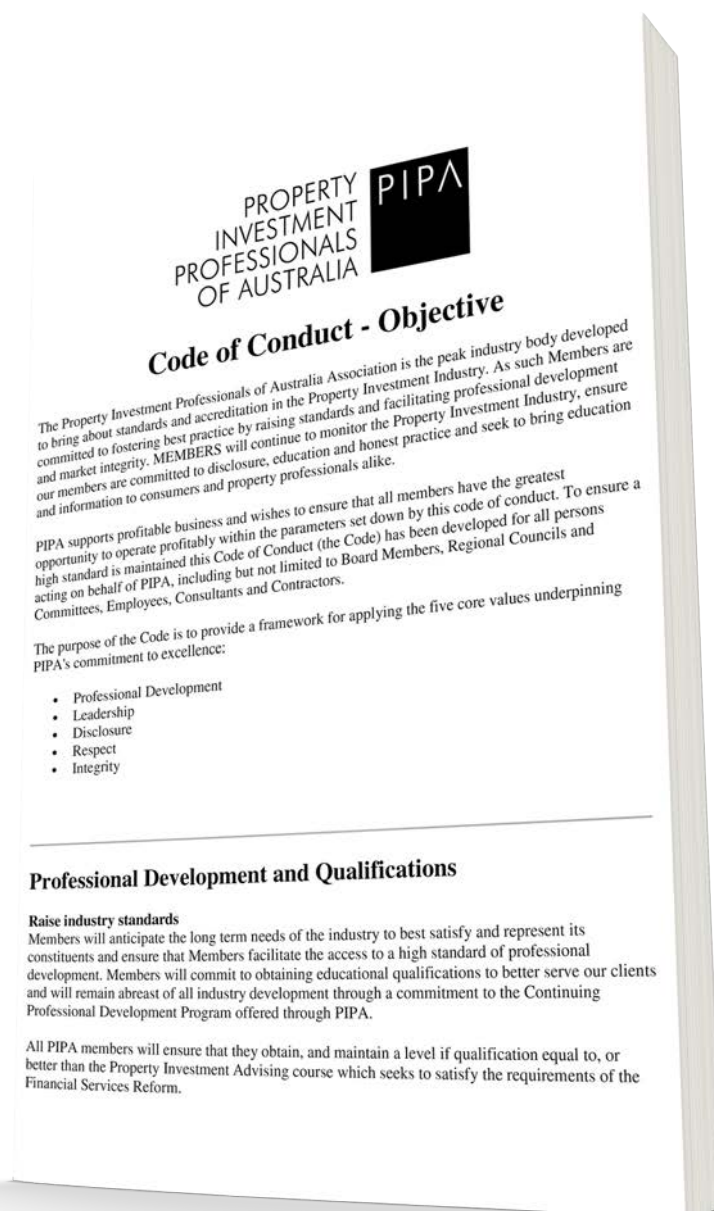
It's important for members to understand that PIPA is not seeking to understand the amounts of these commissions, which remain private and commercial in confidence.

PIPA simply require a record of the documentation provided to the prospective client you are seeking to professionally service,

to demonstrate compliance with the PIPA Code of Conduct.

In the interests of ensuring that PIPA's combined mandate of industry representation and consumer advocacy is upheld, I know that you, as a member, will be more than happy to comply with these requests in a timely fashion.

If you have yet to furnish us with the required documentation, or you are unsure of exactly what to provide, please contact Karen Millers, and she will be more than happy to assist you. ▣



PIPA depreciation

Which depreciation method suits your investment strategy?



BRADLEY BEER
CEO, BMT Tax Depreciation

The Australian Taxation Office (ATO) allows investors to choose between two methods of claiming depreciation on plant and equipment assets*.

These are the diminishing value and the prime cost methods of depreciation.

When an investor makes their depreciation claim, they can choose only one of these methods so it is important for them to understand how this choice will affect their investment returns.

Both the diminishing value and the prime cost methods claim the total depreciation value available

over the life of a property.

However, the two methods use different formulas to calculate depreciation deductions, achieving different short- and long-term cash flow positions for the property investor.

Under the diminishing value method, the deduction is calculated as a percentage of the balance you have left to deduct.

The formula a quantity surveyor

will use to calculate depreciation using the diminishing value method is shown below.

Under the prime cost method, the deduction for each year is calculated as a percentage of the cost.

The formula a quantity surveyor will use to determine the amount of depreciation deduction under the prime cost method is shown on the next page.

Diminishing value method				
Properties settled pre 10th May 2006				
Opening un-deducted cost	X	$\frac{\text{Days owned}}{(365)}$	X	$\frac{150\%}{\text{asset's effective life (in years)}}$
Properties settled on or after 10th May 2006				
Opening un-deducted cost	X	$\frac{\text{Days owned}}{(365)}$	X	$\frac{200\%}{\text{asset's effective life (in years)}}$

Note: on average this change will increase the rate of depreciation by 33%

2016_TA641

“*The two methods use different formulas.*”

Prime cost method				
Asset cost	x	$\frac{\text{Days owned}}{(365)}$	x	$\frac{100\%}{\text{asset's effective life (in years)}}$

2016_TA642

The strategy of the individual investor must be considered when determining which method is the best choice for them.

If an investor makes their claim using the diminishing value method, they are claiming a greater proportion of the asset's cost in the earlier years of the effective life of the asset as set by the ATO, therefore receiving greater deductions in the earlier years of owning the property.

Alternatively, by selecting the prime cost method the investor is claiming a lower but more constant proportion of the available deductions over a longer period.

No matter what strategy an investor has, it is recommended they seek advice from an accountant when making a decision.

A specialist quantity surveyor will always be able to provide a Capital Allowance and Tax

Depreciation Schedule that outlines the depreciation deductions available to claim using both methods for comparison. ▀

* Under new legislation outlined in the Treasury Laws Amendment (Housing Tax Integrity) Bill 2017 passed by Parliament on 15th November 2017, investors who exchange contracts on a second-hand residential property after 7:30pm on 9th May 2017 will no longer be able to claim depreciation on previously used plant and equipment assets. Investors can claim deductions on plant and equipment assets they purchase and directly incur the expense for. Investors who purchased prior to this date and those who purchase a brand-new property will still be able to claim depreciation as they were previously. To learn more visit www.bmtqs.com.au/budget-2017 or read BMT's comprehensive White Paper document at www.bmtqs.com.au/2017-budget-whitepaper.

Introduce property depreciation to your clients this tax time and **reap the benefits**

BMT Tax Depreciation can help you increase client satisfaction by saving them thousands of dollars each year, simply through maximising the depreciation deductions from their investment property.

Add value to your existing service today by calling **1300 728 726** or visit **bmtqs.com.au/resources** to discover BMT's range of free educational tools.

BMT Tax Depreciation
QUANTITY SURVEYORS

PIPA in the news

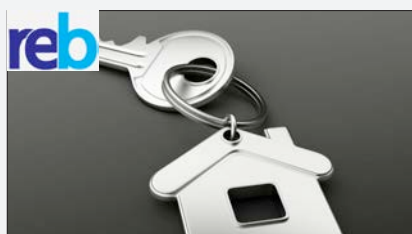
PIPA is a regular commentator and expert source in property-related stories across the nation. Below are a selection of articles from the past two months.



Sydney Baby Boomers drive real estate boom in Brisbane

A MIGRATION of cashed-up Baby Boomers from Sydney will lead to a real estate boom in Brisbane, according to property investment experts.

<http://bit.ly/PIPA-008-16A>



Sydney vacancy rates steady, good news for renters

Sydney's residential vacancy rate continues to support those seeking rental accommodation, according to new REINSW research.

<http://bit.ly/PIPA-008-16B>



How free property investment advice could cost you a fortune

When you think about the word “free” what does it mean to you? For some people it means the freedom to do whatever they want — whether that's financial freedom or having no ties so you can travel the world.

<http://bit.ly/PIPA-008-16C>



More Aussies are choosing fractional property investment

Due to the unaffordable prices in Australia's most expensive housing markets, many aspiring investors—particularly young people—are turning to novel forms of property investment, including fractional property investment.

<http://bit.ly/PIPA-008-16D>



BrickX hits 10,000 investors as aspiring homeowners turn to fractional ownership

Building a property portfolio brick by brick is proving increasingly popular in Australia, with thousands of aspiring homeowners buying a portion of a home instead of an entire one.

<http://bit.ly/PIPA-008-16E>

new members

PIPA welcomes our newest members and QPIAs...

CORPORATE MEMBERS

- ▶ **GRANT FOLEY**
Grant Foley Property
- ▶ **RICHARD CRABB**
Aspire Advisor Network
- ▶ **SHANMUGANATHAN GNANASOTHY**
OM Realty

INDIVIDUAL MEMBERS

- ▶ **DALE WALSH**
Esteemed Realty
- ▶ **MICHAEL KIKI**
Accountant
- ▶ **TIRON MANNING**
Newcastle Buyers Agent

QPIA

- ▶ **GRANT FOLEY**
Grant Foley Property
- ▶ **DEBRA BECK-MEWING**
Crave Property
- ▶ **MICHAEL YARDNEY**
Metropole
- ▶ **RACHEL COLE**
Empower Wealth

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Latest PIPA Member Survey results reveal more advisors like Perth than Sydney as an investment

Brisbane also rates well but this is certainly a surprise given Sydney's growth in recent times.



Latest PIPA Member Survey results reveal more advisors like Perth than Sydney as an investment

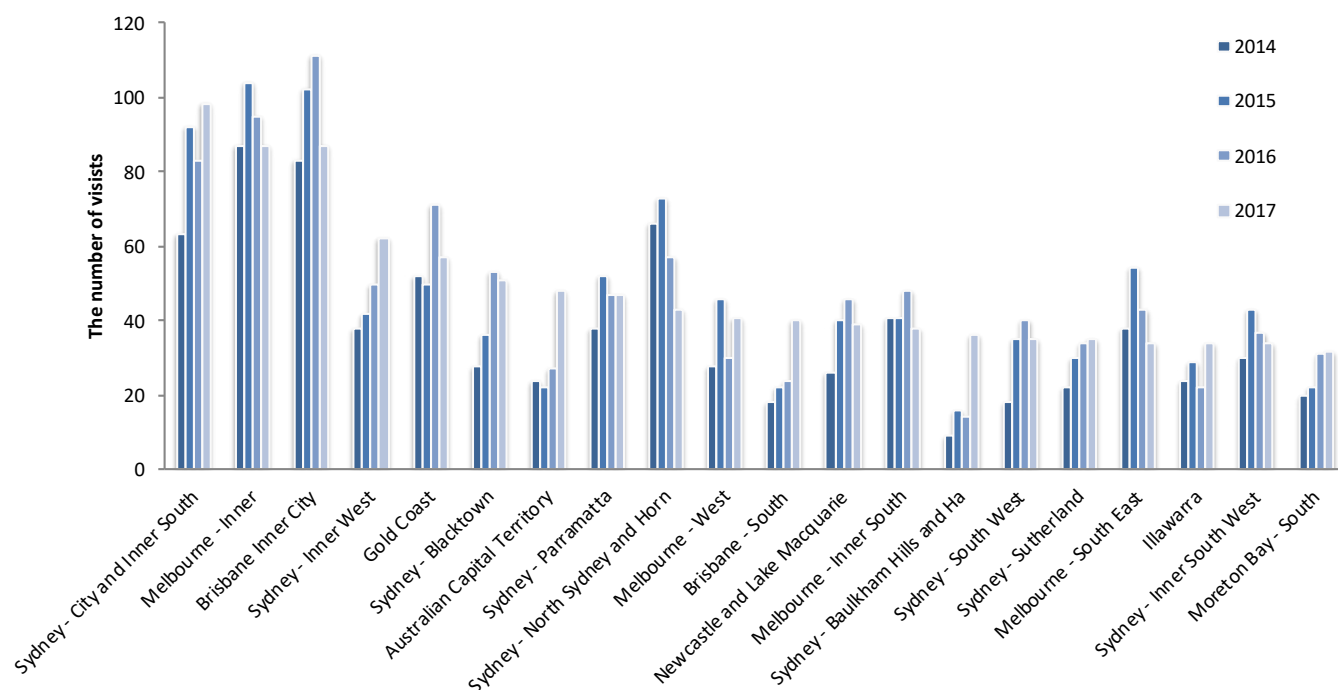
Brisbane also rates well but this is certainly a surprise given Sydney's growth in recent times.

consumer enquiry

Online enquiries growing strongly

The number of consumers searching for members and QPIAs on the PIPA website is growing strongly as our latest data analytics show.

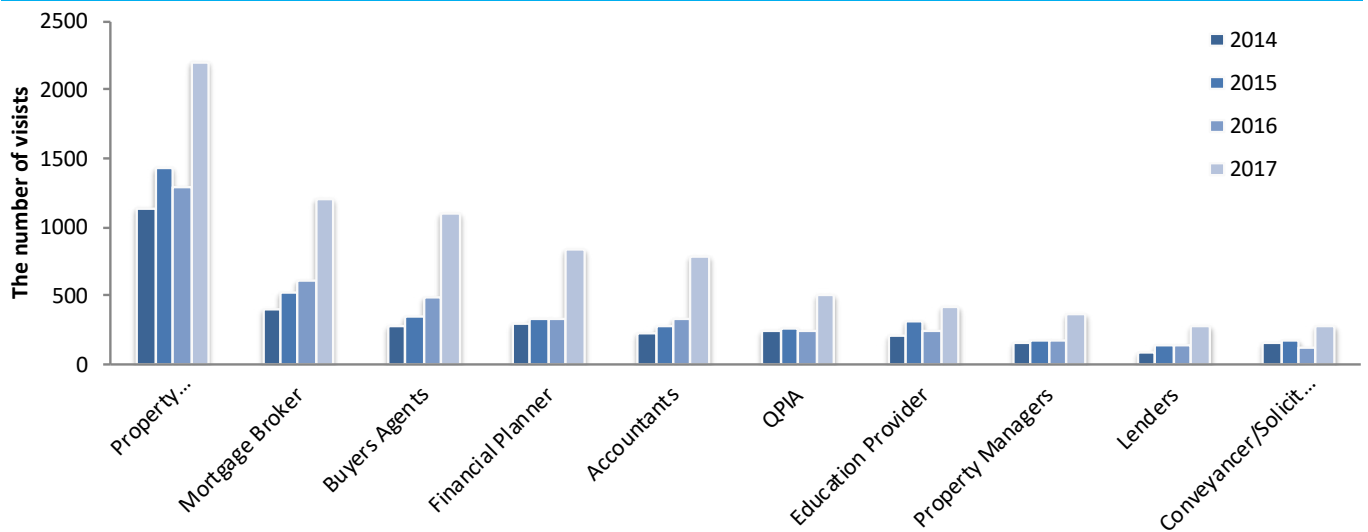
TOP 20 SA4 AREA RANKED BY UNIQUE SITE USER SEARCHING WITH POSTCODE METHOD



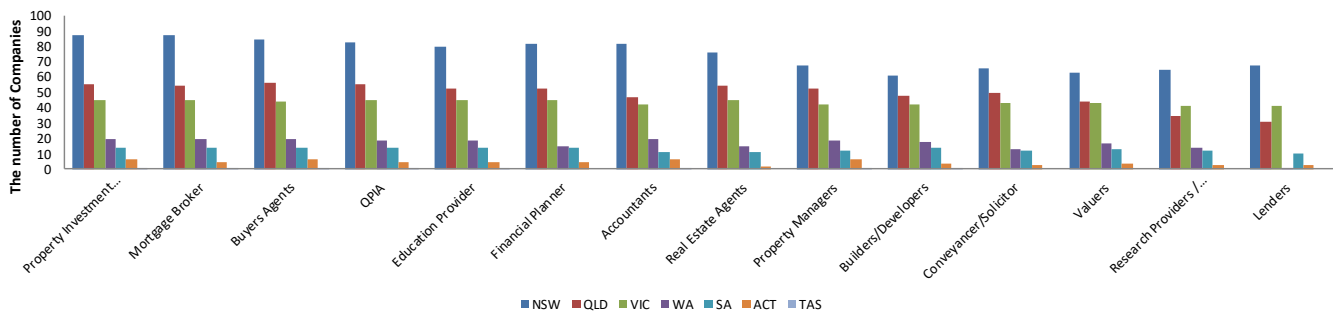


The search term 'Property Investment Advisers' has increased 200% from 2013 to 2017.

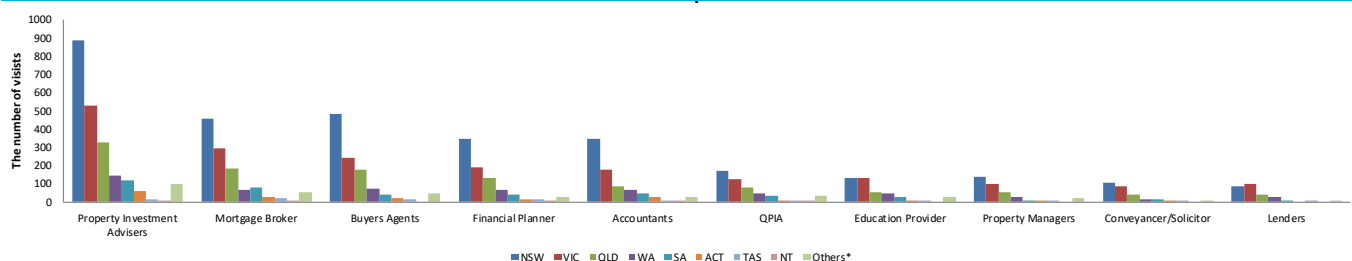
TOP SEARCH BY CATEGORY METHOD



PROFESSIONAL CATEGORIES BY STATE



THE STATE CONSUMERS FOR PROFESSIONALS IN 2017



PIPA *pipa* profile

Debra Beck-Mewing
recently completed her
QPIA while running
her Crave Property
Advisory business.

**CAN YOU PLEASE
TELL US MORE ABOUT
YOUR BUSINESS?**

Crave Property Advisory is focused on helping clients build profitable property portfolios.

This includes planning individual purchasing strategies, acquiring properties for clients and then helping them optimise each purchase – sometimes through renovation and development projects.

We work with a range of specialist service providers – from accountants through to architects – to ensure our clients maximise their position.

**HOW LONG HAVE YOU BEEN
A PROPERTY INVESTMENT
PROFESSIONAL AND WHAT
WAS YOUR PATHWAY INTO
THE PROFESSION (INCL.
OTHER CAREERS)?**

I originally started as a buyers' agent five years ago, working with developers to help them acquire properties that could be developed into townhouses and units.

My pathway towards this role was a long one – I have been interested in property since my early teenage years and built my own portfolio while working for top-tier law and accounting firms.

During those corporate years, I tried working with a range of

"buyers' agents" who were either really bad or turned out to be anything but "real" buyers' agents.

This inspired me to join the industry as I couldn't find the service I was looking for.

**HOW LONG HAVE YOU BEEN
A QPIA?**

Two months.

**HOW DID YOU FIND OUT
ABOUT THE QPIA?**

Originally by following Margaret Lomas, as well as noticing advertising in property magazines.

■ WHAT WERE YOUR MAIN REASONS FOR BECOMING A QPIA?

I have a few key reasons

- (a) I wanted to play a part in delivering independent and unbiased information to the Australian public.
- (b) I wanted to be associated with an organisation that is trying to increase the professionalism of the property industry.
- (c) I really want to provide an alternative to the unethical element of the industry – those people who are just trying to sell a limited range of stock to an unwitting public – don't get me started on this one!

■ WHAT WERE THE MAIN CHALLENGES OF BECOMING A PROPERTY INVESTMENT ADVISER?

The main challenge I found was cutting through the high powered marketing tactics and incorrect information promoted by spriukers.

I have made some great inroads on this now, so it's no longer a big an issue for me to handle.

However, I still struggle to keep my views elegantly in check when I hear someone talking about how they charge for "education" when I know they're collecting commission from the sale as well.

That practice has got to be eliminated soon, doesn't it?

The other challenge is explaining the difference between a property investment advisor and a buyers' agent.

This area of the industry is still in an embryonic stage, which offers opportunities as well as challenges because people often just put me in the buyers' agent bucket.

■ DO YOU CHARGE FOR YOUR PROPERTY INVESTMENT ADVISORY WORK?

Yes – we charge for plans, portfolio reviews, as well as our acquisition services.

The plans are extremely popular with clients as we help people buy any type of property – homes, investments, mini-projects and commercial property.

The portfolio reviews work really well for good financial planners who want to provide their clients with quality advice.

I developed this service after I heard about a financial planner who told a client to sell what looked like an under-performing property – it was actually a development opportunity that would deliver significant returns.

How does the QPIA and PIPA support your business and its growth?

Currently, I find the support comes via the information provided by PIPA.

Regarding growth, the reputation of PIPA as an organisation helps considerably as clients visit the PIPA website then call after viewing my listing on the site.

I also ensure I display the logo on my communication materials.

■ HOW LONG HAVE YOU BEEN A MEMBER OF PIPA?

Since July 2016.

■ HOW DID YOU FIND OUT ABOUT THE ASSOCIATION?

Similarly to above – Margaret Lomas and property magazines.

■ WOULD YOU RECOMMEND OTHER PROPERTY INVESTMENT PROFESSIONALS TO BECOME MEMBERS OF PIPA? WHY?

If they're keen to see the Australian public receive quality advice then I would definitely encourage property investment professionals to become members.

Investing in property is one of the most expensive purchases anyone will make, and it's simply astounding that most people buy without unbiased help the way they do now.

Apart from contributing to quality changes, PIPA provides a point of difference to help ethical professionals stand out.

■ WHAT'S NEXT FOR YOUR BUSINESS IN THE NEXT 12 MONTHS AND BEYOND?

We're currently activating expansion plans, so we're adding more people to the team as well as expanding our footprint, service range and products. ▲

INTERESTED IN BEING A PIPA MEMBER PROFILE IN THE PIPA ADVISER? EMAIL US...

✉ enquiry@bricksandmortarmedia.com.au

Investors desert Sydney for Brisbane



NICOLA MCDOUGALL
Editor, PIPA Adviser

Less than four per cent of property investment experts believe Sydney offers solid prospects in 2018, according to the 2018 PIPA Member Survey.

The survey found that only 3.85 per cent believed investors should buy property in Sydney this year – down from 11 per cent in 2017.

In fact, about 15 per cent of survey respondents believed that Perth offered better prospects than the Harbour City, a significant upswing from last year's result of 3.7 per cent.

Brisbane was the capital city which offered the best investment prospects this year, according to 46 per cent of respondents.

Brisbane was the top pick by property investment professionals in 2017 as well, with 44 per cent selecting the Queensland capital last year.

"Sydney's strong price growth over the past five years has resulted in its property investment metrics no longer adding up for sophisticated investors," PIPA chairman Peter Koulizos said.

"Its sky-high property prices means that rental yields are constrained and smart investors aren't prepared to make up the difference in cash flow from their back pockets."

Mr Koulizos said Brisbane's

affordability was one of the factors why it was again selected as the capital city with the best property investment prospects.

The property price differential between Brisbane and Sydney in particular was underpinning increasing interstate migration into the Sunshine State, he said.

"When the numbers are literally two for the price of one, it's no surprise that owner-occupiers and first homebuyers are opting to head north to southeast Queensland to take advantage of its more affordable property prices," he said.

"Perth is back on the radar after a number of years of poor market conditions, but its market is still uneven so investors must undertake thorough research before buying into that market in my opinion."

Melbourne was again the

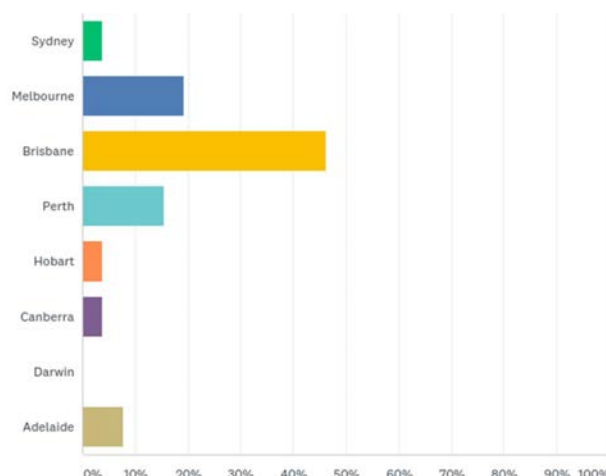
second best location for property investment in 2018 according to 19 per cent of survey respondents – down from 29 per cent last year.

TIGHTER LENDING A CONCERN

According to the annual survey, the biggest concern for property investment professionals this year remains the tightening of lending to investors.

However, 100 per cent of respondents are optimistic about

Q WHICH STATE CAPITAL DO YOU BELIEVE OFFERS BEST PROPERTY INVESTMENT PROSPECTS FOR 2018?





Brisbane was the capital city which offered the best investment prospects this year.

their businesses for 2018, with 56 per cent indicating they would employ more staff this year.

"Our members remain overwhelming positive this year, even in the face of higher interest rates for investors as well as tougher lending conditions," Mr Koulizos said.

"The APRA restrictions appear to have reduced the number of speculative investors in the Sydney market in particular, however, educated investors have also been unfairly caught in the crossfire."

PIPA members are also concerned about changes to, or the removal of, negative gear as well as rising interest rates and property spruikers.

The reduction in positive property sentiment was the biggest concern for PIPA members' businesses.

And 65 per cent of survey respondents who weren't already QPIAs were interested in undertaking the course in 2018.

Nearly 90 per cent of survey respondents believed that Australian consumers needed a more comprehensive education

program for property investment.

Mr Koulizos said the government and industry regulators must address the need for comprehensive regulation of property investment advice to reduce speculation in the market.

"Introducing a minimum standard of education or qualification for those providing property investment advice would ensure that investors can receive the same level of appropriate guidance provided to anyone

investing in other asset classes," he said.

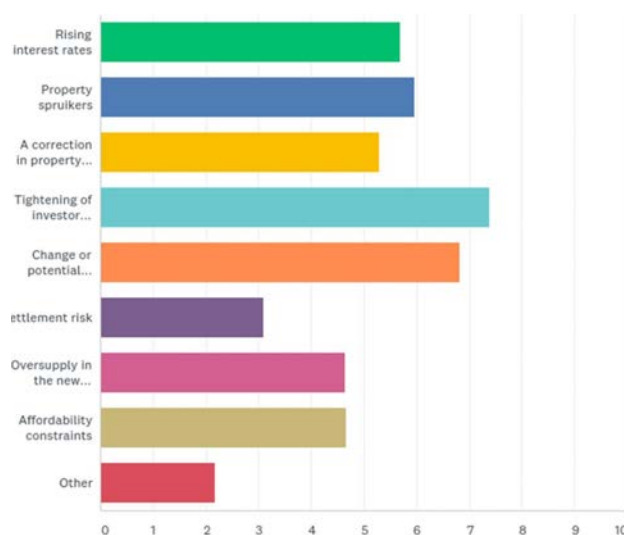
"Property investment remains a sound strategy for many Australians who desire to improve their financial positions over the long-term.

"A regulated property investment advice sector would remove unscrupulous operators from the marketplace and protect consumers from fly-by-night spruikers whose only interest is their own." ▴



WHAT ARE YOUR BIGGEST CONCERNS ABOUT THE PROPERTY MARKET?

Rank in order of most concerning (1) to least (9)





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