

# API E-News

Leading the property profession

June 2007

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## National Taskforces

Over the past year National Council has established a number of Taskforces to address specific issues that have confronted the Institute. These Taskforces have been established to address such issues as Complaints Procedures, Desktop Assessments, Prospectus Valuations, Sustainability, Technical Membership, Infrastructure and Capital Markets, Future Professionals Program and the Structural Review.

Taskforces are established to provide a ready response to national issues in a manner that is timely and cost effective. To date, the objectives of the Complaints Procedure Review Taskforce and the Prospectus Valuations Taskforce have been completed through the adoption of new Complaints Handling and Disciplinary Procedures for the Institute and the release of the Guidance Note *Valuations For Use in Offer Documents*. Further work on the Guidance Note may arise following the Institute's meeting with ASIC.

The Sustainability Taskforce has just released the first in a series of E-Bulletins informing members on the issue of environmental rating systems, with further bulletins due to be distributed over the coming months on a range of issues dealing with the sustainability of commercial buildings.

The Technical Membership Taskforce is establishing parameters that will assist in enabling more valuers to become Institute Members, providing membership pathways, as well as establishing guidelines for the signing of valuation reports.

The Infrastructure and Capital Markets Taskforce will examine the probable, tangible and intangible benefits to the API and its membership of expanding into the infrastructure/capital markets business space.

The Future Professional Program Taskforce will identify and develop education/training programs currently not being provided by tertiary education institutions that would assist graduates professional training and meet industry/employer training requirements. The Taskforce will also examine the development of a Future Professionals Program folder that would assist applicants in attaining Associate Membership (with or without CPV).

The Structural Review Taskforce will be examining the Institute's organisational structure and will report on the optimal organisational structure for the management of the Institute and the delivery of services to members.



## Prospectus Valuations Meeting with ASIC

API National President, Greg Preston and API National Director, Grant Warner recently met with representatives of the Australian Securities and Investments Commission (ASIC) to discuss matters surrounding the use of valuations in capital raising documents. The issue of valuations used in capital raising documents has been brought to a head following the collapse of Westpoint, Fincorp and more recently Australian Capital Reserve. In order to provide guidance to members providing valuations for use in offer documents, the Institute has recently released a Guidance Note *Valuations For Use in Offer Documents*. This document was discussed with ASIC with a view to obtaining support and feedback as to whether it successfully addressed the issues that had come to light following the recent collapse of the aforementioned companies.

During the Institute's discussions with ASIC it became apparent that the following matters would need to be addressed;

- The use of valuations in offer documents,
- Guidance on development property valuations, including the use of "As is" and "As if complete" valuations and the use of the purchase price of the subject property,
- Selection of appropriate valuation methodology,
- Selection of appropriate comparables to support the valuation

The issues here relate to the use of:

- Related party transactions,
- Out of State comparables,

The Institute will continue working with ASIC to ensure relevant guidelines are in place for the benefit of both members and investors.

## Property Law Reform Alliance

The Institute, through National Office, is a member of a group of property related professional associations who are working together with the aim of streamlining property law in Australia.

The objectives of the Alliance are to:

- encourage agreement between the Members on issues of property law;
- encourage national consistency in best practice property law, practices, procedures and compliance requirements throughout Australia;
- facilitate cross-border transactions and increase the inclusiveness of property related regulation;
- consider and formulate national model real property legislation;
- develop an advocacy campaign to encourage Commonwealth, State and Territory governments to consider the benefits of property law reform;
- develop and implement a communications strategy which highlights the benefits of property law reform; and
- encourage alliances between the Alliance and organisations with similar objectives.

Membership of the alliance includes Australian Institute of Conveyancers, Australian Institute of Quantity Surveyors, Australian Property Law Group, Australian Property Institute, Australian Spatial Information Business Association, State & territory Law Societies, Real Estate Institute of Australia, Master Builders Association, Property Council of Australia and Urban Development Institute of Australia.


Matters currently under consideration include electronic conveyancing, uniform leasing legislation, establishment of a model Real Property Act, Personal Property Law Reform and Professional Standards.

## Personal Property Law Reform

Personal property securities are interests in property (other than land) that are created or evidenced by an agreement that secures payment or performance of an obligation.

The Council of Australian Governments (COAG) has agreed in-principle to establish a national system for the registration of personal property securities which will be implemented by Commonwealth legislation supported by a referral of legislative power by the States to the Commonwealth.

The Australian Government recently announced that it



will provide \$113.3 million over five years to establish the national system.

The single national system will replace the current inadequate system which is governed by more than 70 separate pieces of legislation and administered by a range of Commonwealth, State and Territory government agencies.

## Credit Standards in Housing Lending

Members are referred, for their information, to the article on Credit Standards in Housing Lending – Some further insights, published by the Australian Prudential Regulatory Authority (APRA).

The reports includes in its summary that "... housing lending portfolios have become somewhat more risky, whether measured in terms of higher LVRs or debt servicing burdens on borrowers. In an environment of sustained economic growth and very low housing loan losses, the value of investment in risk management systems in this area is easy to underestimate."

Please visit the following link to access the full article <http://www.apra.gov.au/speeches/Credit-Standards-in-Housing-Lending.cfm>

## Lawsuits on Pressuring Valuers

The State of Ohio (USA), which has the third highest number of housing loan defaults in the United States, has sued 10 real estate companies for improperly pressuring valuers to inflate home values.

The lawsuits claim brokers and lenders asked for specific home values on properties the valuers had not yet seen.

Members are referred to the article <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aOGZZwRlzMqC> as it raises issues that the Institute and its Members should be aware of including;

- Providing "verbal valuation estimates"
- Inflated valuations
- "Aggressive Valuations"
- Excessive lending practices,
- Mortgage fraud, and
- Breaches of ethics.

## Exposure Draft of Guidance Notes "Assessing Rental Value" and "Valuation of Agricultural Properties"

The Australian Valuation and Professional Standards Board have recently developed two Guidance Notes: "Assessing Rental Value" and "Valuation of Agricultural Properties". These documents have been issued as Exposure Drafts and are available on the API National website [www.api.org.au](http://www.api.org.au) in the News/Information section.

The API would appreciate your feedback regarding the Exposure Drafts. Please forward any comments to the API National Director, Grant Warner via email [gwarner@api.org.au](mailto:gwarner@api.org.au) by close of business on Friday 24 August 2007.

## USQ seeking Industry Practitioner assistance with the development of property courses

The University of Southern Queensland (USQ) is seeking assistance with the development of a Property Development and Property Ownership course for their new Master of Business (Property) course. The ideal candidate would be an experienced industry practitioner, perhaps retired, with some academic experience who could prepare material on a contract basis. We will also be seeking a person to deliver the materials as part of our on-campus intensive workshops from 2008, on a contract or a fractional employment basis.

For further details please contact Barrie Todhunter, Senior Lecturer, Project Management Group - Faculty of Business, University of Southern Queensland on (07) 3470 4537 or email [todhunter@usq.edu.au](mailto:todhunter@usq.edu.au).

## 2008 API/PINZ International Property Conference

Plans are well underway for the 3rd API/PINZ International Property Conference which is scheduled to be held in Christchurch, New Zealand on the 26 and 27 June 2008. This conference is tipped to follow on from the success of the previous two International Property Conferences which were held in Queenstown (2004) and Cairns (2006). This conference will definitely be an event not to be missed so stay tuned for more details.

## OBITUARY - Harold (Harry) Foster



Harold Foster passed away on the Thursday 12 April 2007, aged 75 years. His passing is a great loss to his family, friends, former colleagues and to all of those people who were fortunate enough to know Harold during his lifetime.

Harold (Harry) Foster was born in Cannon Hill, Queensland on 21 September 1931. He was the youngest of six children born to Bert and Gladys Foster. Thanks to a wonderful mother, he grew up in a very close family environment that had to survive after the accidental death of their father when Harold was 6 years old and the oldest child only 16 years of age.

Harold completed his secondary education at the Brisbane State High School. On leaving school he was employed by the newly formed Queensland Valuer-General's Department in March 1948 as a Clerk. Whilst working in the Department he also studied for the valuation profession through the Commonwealth Institute of Valuers and in 1957 transferred to the professional side of the Department as an Assistant Valuer. A move which saw the beginning of a distinguished career as a valuation professional in both the public and private sectors of the profession.

In 1969 he resigned from the Department and joined the firm of Bright Slater Pty Ltd. Harold continued as a practising valuer until his retirement in 2001.

In spite of an extremely busy professional life, Harold always found time to serve the Institute, to encourage young valuers and conduct viva voce interviews as well as serving on the Valuers Registration Board of Queensland. He was involved with the administration of the profession for some 33 years which included:

- 15 years as a Member of the Queensland Divisional Council
- 1978-1980 he served as the Queensland President

- 7 years on the National Council of the Australian Property Institute
- 18 years as a Member of the Valuers Registration Board of Queensland
- 1994-1996 he served as Chairman of the Valuers Registration Board

In 1983 Harold was made a Life Fellow of the Australian Property Institute in recognition of his services to the Institute and the profession.

He was active in community affairs as well as being a keen sportsman who eventually turned to lawn bowls at the Cannon Hill Bowls Club, where as a Foundation Member, he spent some 24 years of active involvement with the administration of the Club.

His heavy workload and social activities caught up with him in 1984 when he had his first heart attack. In 1985 he had quadruple open heart surgery before going back to full time activity. A second heart attack in 1995 again led to quadruple open heart surgery and again back to normal work and social activity. In 2003 Harold suffered his third heart attack and was fitted with a pacemaker to keep his heart beating until his eventual demise.

Even though his professional working life was very active, he was a devoted family man who had a wonderful family life until the end. He married his teenage girlfriend Majorie on 10 January 1953 and had a wonderful marriage until the sudden death of Majorie in November 1999. Harold continued his devotion to his two daughters Debbie and Jennifer and grandchildren Gentian, Nico, Jet and Jaslyn. His final years were spent with his partner Joan with whom he shared the pleasures of life.

Harold (Harry) considered he had a wonderful, fulfilling life with family, workmates and friends and has passed on without regrets.

The passing of Harry will leave a void in all those knew him as a generous and caring person of the utmost integrity.

He will be sadly missed.

## Professional Standards Manager - Australian Property Institute

- Based in either Canberra, Sydney or Melbourne
- Salary: \$70,000 plus super

The Australian Property Institute (API) is seeking to appoint a Professional Standards Manager.

The primary focus of this leadership role will be to co-ordinate the development, achievement and delivery of Professional and Technical Standards to API members and interested external stakeholders. Superior communication skills, an excellent research ability and quality report/brief writing skills are essential for this position.

The Professional Standards Manager will also liaise closely with members of the API's Professional Boards, Committees and Taskforces, providing accurate and timely administrative support as required. Though the position will work closely with the National Director, the applicant must have the ability to work independently. Some interstate travel will also be required.

Tertiary qualifications and experience within a property related field, though not pre-requisites would be well regarded. A salary package to compliment ability will be negotiated with the successful applicant.

This role will thoroughly engage and motivate the right person. They will embrace the opportunity to promote the highest levels of professionalism among Institute members and aim to positively influence the property industry in the future. The ideal applicant will be thorough in their approach to tasks, will endorse "best practice" ideals and will have the commitment to attain all desired outcomes.

To accommodate a suitable applicant the position is available for locating in Canberra, Sydney or Melbourne.

Applications detailing past achievements and future career objectives will be accepted until Friday 13 July via email [gwarner@api.org.au](mailto:gwarner@api.org.au) or posted to The National Director, Australian Property Institute, 6 Campion Street, Deakin, ACT 2600. To discuss this position please phone (02) 6282 2411.



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*Must be members of the API and registered/licenced where required.*

**Confidential enquiries to Charles Guthleben**  
**National Valuation Manager**  
**phone 0411 665 574**  
**email [charles.guthleben@megawhogg.com.au](mailto:charles.guthleben@megawhogg.com.au)**

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# PROPERTY VALUER

We are a busy, established, valuation practice based in Wangaratta in Northeast Victoria.

We are seeking a **Qualified or near Qualified Valuer**. The position can be either full time or part time.

The successful applicant will preferably have experience in valuing a variety of property types. If you want to broaden your experience we can provide work in all property types.

You must have good communication and computer skills. Experience with PropertyPRO and other residential valuation reporting formats will be an advantage.

A generous salary package will be negotiated depending on experience. Bonuses are available. Working conditions are excellent.

Wangaratta is centrally situated in Northeast Victoria. It is within 2 hours drive of Melbourne and less than 1 hour from Albury-Wodonga and Shepparton.

This position is flexible and would suit a range of Valuers. If you are just starting your career there is a variety of property types to value. If you are wanting to wind your career down slowly we can accommodate you. If you are looking to take the next step and gain an equity stake in the next few years this may be your opportunity.

Water sports such as fishing and water skiing are available within half an hour. Snowfields are within 1 hour. Wineries are abundant in the region. Golf, bush walking and other activities in this region are among the best available in Australia.

This practice comprises a small team of Valuers together with administrative support. Being a small team provides opportunities for support and assistance as we work together to achieve best practice.

For more information prior to making your written application please contact Roger Porter on 03 5721 3994 or [rmpval@netc.net.au](mailto:rmpval@netc.net.au)