



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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VICTORIAN REGULATION ON LICENSING EXEMPTIONS HAS NOW BEEN GAZETTED

The Victorian regulation, exempting large commercial property owners from professionally useless real estate licensing requirements, has now [been gazetted](#) (*Shop Talk* 23/10/14). The exemptions will begin operation on 1 July 2015. The regulation means agents managing or leasing commercial property on behalf of large commercial property owners (i.e. those who collectively own more than 10,000 square metres of commercial property) will no longer require a real estate agents license. The regulation also exempts from licensing those who manage on behalf of 'related entity' property owners. This reform was one of 36 'red tape reduction reforms' recommended by the Victorian Red Tape Commissioner, John Lloyd, and announced by the Victorian Government in January 2014 (*Shop Talk* 30/1/14). Since January the Victorian Government has held discussions with all stakeholders, including calling a major stakeholder meeting in April, and publishing an Issues Paper and seeking submissions from all stakeholders. Claims that the Victorian Government process has been "secretive and rushed" are untrue and offensive. These licensing reforms will impact on fewer than 2% of commercial buildings in Victoria and more than 98% of commercial property sales will still require a licensed real estate agent.

QUEENSLAND LICENSING EXEMPTIONS WILL BEGIN ON 1 DECEMBER 2014

The Queensland Government has advised that the new *Property Occupations Act* is scheduled to begin operation on 1 December 2014. (*Shop Talk* 21/11/13 & 8/5/14). This Act contains similar exemptions from real estate licensing requirements for large commercial property owners as have just been gazetted in Victoria. (See the item above). It should be noted that these minor exemptions from licensing requirements were not opposed by the Real Estate Institute of Queensland (REIQ).

SENSELESS CAMPAIGN BY VICTORIAN AGENTS OVER LICENSING EXEMPTIONS

The opposition to the Victorian licensing reforms by the Real Estate Institute of Victoria (REIV) is perplexing. The REIV has launched a self-described 'war' against the Government which includes a reported \$1 million (of its members' money) campaign. The reforms do not apply to residential property or rural property and therefore have no effect on ordinary consumers, farmers, home owners or tenants. Given the exemptions only apply to large commercial property owners (a group the REIV does not represent) the reforms are also unlikely to impact on small and medium-sized commercial real estate agencies. The REIV's CEO, Enzo Raimondo, said previously that the REIV was "quite happy to talk about related party exemptions and sophisticated investor limits [on licensing]" but he is now claiming this will have dire consequences. The REIV has made a number of strange claims about the proposed exemptions, including the potential for "unscrupulous" and "fly-by-night" operators, a "free for all" and even, today, the "wild west". We're not sure if the REIV is suggesting that the large commercial real estate agencies are going to be part of this "free for all". Mr Raimondo has also claimed retail tenants will be at risk but the REIV does not speak for retail tenants. Both the Australian Retailers Association and the National Retail Association, who do represent retailers, support the reforms. Both bodies know that tenants remain fully protected by the *Retail Leases Act*, which includes dispute resolution processes administered by the independent Small Business Commissioner. Taxpayers' money in Victoria should not be spent on protecting large professional property owners, who are capable of looking after their own interests when dealing with their agents. The real estate license teaches nothing about managing or leasing shopping centres or offices. Further, as the Harper Competition Review said recently in its Draft Report: "licensing requirements can raise barriers to entry in markets that create more costs than benefits to the community".