The RentCover Report

INDUSTRY NEWS & VIEWS FROM EBM

Welcome

We’re into the second month of spring and while many will be having a good spring clean, some of our state governments have taken a broom to their residential tenancy legislation and given it a clean sweep too.

Some 130 reforms have been passed in Victoria – and a Bill has been introduced in the New South Wales Parliament proposing similar changes to give more rights to tenants. The reforms can also have implications for insurance cover, so we take a look at the changes that come into effect in the next 18 months.

Another issue that has implications for insurance cover is damage. To paraphrase an old adage, damage ain’t damage. And it’s important to understand the different types of damage insurers consider (it’s all down to the intention) as it could mean the difference between having a claim paid or denied. Spoiler alert: not all insurers cover all types of damage, in fact, most don’t.

We also explain why it is so important for agents to document their interactions with landlords and tenants. When it comes to Professional Indemnity cover the ability to prove what you said and did can’t be emphasised enough.

We hope you enjoy this edition of *The RentCover Report*.

Sharon Fox-Slater
Managing Director, RentCover

A matter of intent

When it comes to insurance claims for damage, not all damage is created equal. The intention behind the damage could mean the difference between being paid-out or having the claim declined.

Damage is damage, right? Not when it comes to insurance. Different insurers treat the different types of damage differently and knowing the differences can mean the difference between a successful claim or not.

There are three categories of damage considered by insurers: accidental, deliberate/intentional and malicious. And damage cover varies amongst insurers and not all cover each type – in fact, many exclude one or more (and may or may not cover both the building and contents). Importantly, insurers also differ in how they define each type of damage, so it is imperative that the policyholder understands what the insurer considers to be 'damage' in general and specifically under each type. Excesses also often vary depending on the type of damage.

The difference between the types of damage lies in the intention – or the cause – behind them. The three types are illustrated through RentCover claims examples.

Accidental
'Accidental' damage' is damage that has resulted from an unforeseeable or unintentional event; that is, the damage was not caused on purpose. It is sudden and unexpected damage to property and should not be confused with general wear and tear which occurs over time which is not covered by insurance.

Common examples are wine spilled on carpets, gouges in walls from furniture clipping them, balls through windows or tiles cracked when heavy objects fall on them.

Although accidents can and do happen frequently, this type of damage is often not covered by other insurers as standard and may need to be purchased as an optional extra.

RentCover policies do cover accidental damage, some examples are below:

<u>Claim example 1:</u>
Tenant was cooking and accidentally placed a hot pot on the benchtop, causing a burn in the laminate. The $3,100 cost to replace the damaged benchtop was paid.

<u>Claim example 2:</u>
Tenant fell into arrears and vacated the property. When the agent did the final inspection they found multiple stains on the carpets throughout the house, the blinds were broken in places, the vinyl in the kitchen had been torn from moving the fridge, there were multiple small holes and divots in walls throughout (some from the door handles), knife marks to the kitchen benchtop, hair dye stains on the en-suite vanity, and torn flyscreens on some of the windows. The $17,430 accidental damage claim was settled.

Malicious
'Malicious damage' is often where there is the most confusion amongst landlords, who may think the damage caused by tenants was 'malicious' when in fact it was 'deliberate'. In order for the damage to be considered malicious, there has to have been 'malicious intent' behind it (carried out with vindictiveness or spite); that is, the tenant must have been motivated by malice and intended to cause damage (proving this can sometimes be difficult). This type of damage can also sometimes be considered criminal damage, which can incur heavy penalties including fines or imprisonment for perpetrators. Incidents of malicious damage should be reported to police, especially if the policyholder intends to lodge an insurance claim.

Common examples are tenants punching holes through doors or kicking holes into walls, smashing windows or ripping out fittings and fixtures when the relationship with the landlord or agent turns sour.

Despite being a common reason for making a claim, without the right insurance in place this type of damage may not be covered or may only be covered when the result of a burglary or act of vandalism, and not when carried out by the tenant or another person legally on the premises.

RentCover policies do cover malicious damage by the tenant, an example is below:

<u>Claim example:</u>
During a domestic violence incident at the property, one of the tenants used a firearm to shoot through walls, with the bullets causing damage to the bathroom tiles and vanity. The tenant also took a knife and threw it at the walls and used it to hack the kitchen bench. There were punch holes to doors throughout the property as well. The $18,500 in repair costs was paid.

Deliberate/intentional
When a tenant damages/alters the current state of the property 'on purpose', but without malicious intent or by accident, it is generally considered 'deliberate'. "Making the place our own" is often the motivation behind the redecoration or modifications made without the owner's consent, yet the intention is not specifically to cause damage.

Common examples are where tenants have put holes in the walls to hang pictures, removed blinds, repainted or taken up carpets or flooring.

This type of cover is often excluded by insurers. At RentCover, claims for damage deliberately caused by tenants are assessed on a case-by-case basis and may be considered as 'accidental'. Some examples of successful RentCover claims are below:

<u>Claim example 1:</u>
Tenant had been in the property for about a year when they fell into arrears and evicted. When the final inspection was carried out it was found the tenant had put small holes in the walls, eaves and gutters in order to install security cameras at the property. While it wasn't the intention of the tenant to damage the property, they had deliberately installed the cameras. A claim for $1,050 was paid to cover the cost to remove the cameras and wiring and reinstate the minor damage to the property caused by their installation.

Claim example 2:
Tenant had been living in the property for approximately three years. When they vacated, the owner attended the property and found the tenant had painted the exterior of the house without permission, painted feature walls in bright colours inside the property, and also made major modifications to the backyard including installing a stone pizza oven, a trellised pergola, raised brick garden beds, and a fishpond. The $13,000 claim covered the cost to repaint the exterior of the property, repaint the interior feature walls, remove all the unapproved garden modifications and repair the damage to the premises caused by them.

The tenant's intent behind the damage can be the difference between a claim being paid or not – so it is important for the policyholder and agent to understand what types of damage are covered, which are excluded and the limitations of the policy.

BTW: Even though an insurance policy may cover the cost of accidental, malicious or deliberate/intentional damage, the tenant is ultimately liable for paying for the repairs, so it's a good idea to notify the tenant if the landlord intends to lodge a claim so they know they will be held financially responsible for 'making good'. After settling the policyholder's claim, RentCover will generally pursue the liable party through debt collectors or the courts to recover costs.

Times they are changin' in Vic – and maybe in NSW too

The Victorian State Government has passed a slew of reforms that give more rights to tenants. The new legislation will come into effect in July 2020 and landlords and agents need to be prepared for the changes which may have an impact on insurance cover.

On 6 September 2018, "the biggest reforms to renting in Victoria's history" passed through the upper house of Parliament, heralding changes that would give tenants more rights – much to the chagrin of many including some landlords, peak bodies including REIV and property pundits who claim the changes erode the rights of investment property owners to have a say about what happens at their rental.

It is expected the changes – which "strengthen renters' rights, better protect vulnerable tenants and enable people to turn the house they rent into a home" – will come into effect on 1 July 2020.

Set out under six themes, a number of the [134 reforms] could impact landlord insurance cover:

1. Pets

Landlords will no longer be able to include a no-pets clause in any rental agreement and can only stop tenants from keeping a pet by obtaining an order through the Victorian Civil and Administrative Tribunal (VCAT). The changes give tenants the right to keep pets, provided they get the landlord's written consent first. Landlords will not be allowed to unreasonably refuse a request for consent and in the case of assistance dogs cannot refuse at all. The onus will be on the landlord to get approval from VCAT to refuse consent to a pet, once they have received the request from the renter.

Insurance implication: While the reform notes that "an outgoing tenant may be required to undertake cleaning and fumigation if there is pet-related damage to the property that goes beyond fair wear and tear", landlords may expect to rely on their insurance cover for any costs associated with pet damage that cannot be recouped from the tenant. Landlords will need to ensure that they have cover that includes pet damage as many insurers do not offer this cover. Unlike many landlord policies, RentCover policyholders have automatic cover for domestic pet damage, up to $65,000 (some insurers only provide up to $6,000 or no cover at all). RentCover also only requires the pet to be owned by the tenant and not necessarily listed on the lease, as is the case for some insurers that offer pet damage cover.

2. Modifications

Renters will be able to make "prescribed minor modifications" to the property without first obtaining the landlord's consent. A definitive list of what is considered minor modification is yet to be released (the State Government intends to consult with stakeholders about all of the reforms); however, it is likely to include such things such as allowing hooks to be placed in walls to hang pictures and interiors to be painted. Other types of modifications (including disability-related modifications) will require the landlord's consent, which cannot be unreasonably refused.

Insurance implication: The legislation notes that the tenant is responsible for restoring any changes made to the property, and will be able to lodge a restoration bond to cover the future removal of fixtures. However, if the bonds (standard and restoration) are insufficient, the landlord may expect to rely on their landlord insurance cover. Modifications (minor or otherwise) made without the landlord's consent were previously considered by many insurers to be ‘deliberate’ or tenant-related damage. Many insurers do not offer cover for this type of damage. RentCover considers tenant damage claims on a case-by-case basis. Any type of work at the property increases the risk of accidental damage too, and landlords will need to check they have cover for this as some insurers only offer this as an add-on. Certain works also need to be undertaken by licenced trades, such as plumbing and electrical, and failure to do so could void the insurance.

3. Bonds

Bonds will be repaid if both tenant and landlord agree within 14 days. The bond can be released up to 14 days early before the tenancy is over (up from seven days).

In addition, bonds for rents less than double the median weekly rent (totalling $760) can only be four weeks’ rent. And reimbursements for urgent repairs need to be made within seven days (down from 14 days).

Insurance implication: With bond amounts lowered, landlords may risk being further out-of-pocket if a tenant defaults on the rent or damages the property, as frequently the bond is insufficient to cover the costs incurred. Landlords may need to check their policy provides for loss of rent and understand any limitations, conditions or restrictions on claims etc.

4. Rent pricing

Rent increases will only be allowed once every 12 months (as opposed to every six months) and rental bidding will be prohibited.

Insurance implication: Nil

5. Rent security

The 120-day “no specified reason” notice to vacate has been removed and landlords will only be able to end tenancies via an “end of fixed term” notice to vacate at end of the fixed term. Misleading or deceptive conduct inducing a person into renting a property will be prohibited. Mandatory pre-contractual disclosure of material facts, such as an intention to sell the rental property or the known presence of asbestos, will also be required.

Insurance implication: Any extension to the period of notice to vacate a property has the potential to increase the risk of rent default or malicious damage if the tenant retaliates against the notice. RentCover provides up to 52 weeks’ cover for loss of rent depending on the circumstances and up to $65,000 in accidental/malicious damage cover.

6. Tenant rights

A commissioner for residential tenancies will be appointed. A non-compliance register will also be established, blacklisting landlords and agents who fail to meet their obligations.

Insurance implication: May influence whether an insurer will agree to issue a policy (landlord or Professional Indemnity for an agent) if the applicant is on the blacklist and may also affect premiums.

Impact on premiums

There has also been the suggestion that these new reforms will mean all insurers will increase premiums, given the potential extra costs relating to damage in particular. A number of landlord insurers do not currently provide cover for damage caused by pets, and for those insurers that look to introduce cover, there may be revised premiums to suit. When it comes to modifications, the changes to the law may affect the way insurers charge landlords but this would depend on the changes made and whether amendments to bonds were made to take these into account.

The new rules may result in more disputes heading to VCAT (such as not wanting to allow pets, disputes over entry-condition reports and if a landlord is slow to fix urgent repairs etc.). This in turn, may require more landlords and agents to access the legal costs covers in their policies.

When it comes to insurance, the provision of cover and the costs of premiums are determined by risk. Any measures that may increase the risk of providing coverage could ultimately result in higher pricing or limitations on cover being imposed.

At this time, no insurers have announced immediate plans to increase premiums or revise policies. However, all insurers will follow the progress of the reforms as more detail becomes available.

<u>New South Wales</u>

Within a fortnight of the Victorian reforms passing into legislation, the NSW State Government introduced a number of changes into Parliament proposing “sweeping reforms for tenants’ rights”.

Key proposed changes under the Residential Tenancies Amendment (Review) Bill 2018 include:

- The ability for tenants to make minor alterations to properties.
- The introduction of a new minimum standard for properties.
- The ability for tenants to get rectification orders from Fair Trading for repairs.
- Restricting rent increases for periodic leases to once a year.
- The ability for victims of domestic violence to break a lease without incurring a penalty.

As with the Victorian reforms, there may be implications for insurance if the Bill passes into law. RentCover will continue to monitor these and any other proposed changes to residential tenancy legislation across the country.

Staff profile: Marissa Connolly

Putting people first

Behind the legislation, the regulation, the financial implications and the day-to-day business of being in business, at the end of the day it all boils down to the people for our National Manager – People & Culture, Marissa Connolly.

“For me, it has always been the people element that has been the drawcard in my career,” said Marissa, who has worked in human resources and organisational development for more than two decades.

For the last two years, Marissa has headed up EBM’s five-person People & Culture team dedicated to driving and coordinating activities associated with the full “employment life cycle” – recruitment, on-boarding, ongoing employee engagement and performance, learning and development, and “yes, departures”.

Marissa divides her time between EBM’s offices across the country and a key focus has been on “making EBM an even greater place to work”.

“Our industry requires ongoing professional development and we have established the EBM Academy to add structure and intent to the investment EBM makes in the professional development of all our employees. I also have the privilege of working with the National Executive to ensure that our People Plan supports the achievement of EBM’s strategic objectives,” explained Marissa.

“EBM has a real commitment to its people, and there is great support for new initiatives and new ways of doing people-related tasks. For me, it’s all about values alignment and EBM’s values are demonstrated daily in all our interactions with clients and staff.

“The culture at EBM is second to none.”

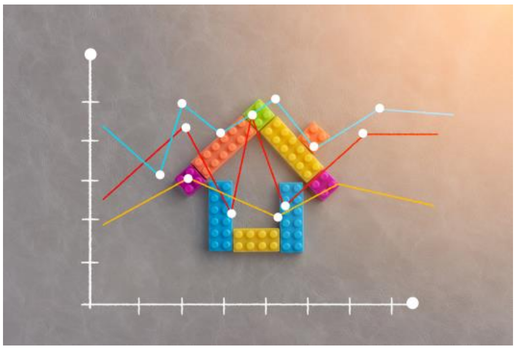
Despite the fact that things “don’t always go to plan!” Marissa loves the variety in her work and particularly enjoys finding solutions to recruitment challenges.

“There seems to be a shortage of suitable candidates for some roles, so we’ve established an assessment centre process for roles within the RentCover team and that has proved successful in identifying high-quality candidates and generating interest in RentCover and EBM as an employer,” she said.

Many would agree that the calibre of our employees and their commitment to ongoing professional development are reasons why so many landlords and agents choose to work with us.

Outside of the office, it’s all about family and friends. And although Marissa splits her time between EBM’s state offices, she doesn’t split her allegiance to a footy club – cheering on her beloved West Coast Eagles in the Grand Final, sharing in the elation when the boys in blue and gold won the premiership flag.

Investment Property Market Snapshot



Latest industry statistics and analysis.

Asking rents rise
Data from SQM Research revealed capital city asking rents for houses rose 0.7 per cent in September to $552 per week. Unit asking rents held steady at $440 per week. Over the year, asking rents for houses and units rose just 0.5 per cent. September results: Canberra $636 p/w houses / $439 p/w units; Sydney $708 / $515; Darwin $515 / $406; Brisbane $450 / $371; Adelaide $385 / $298; Hobart $411 / $373; Melbourne $526 / $409; and Perth $423 / $321.

Vacancies dip
The national residential vacancy rate dipped to 2.1 per cent in August (from 2.2 per cent in July), according to data from SQM Research. The number of vacancies Australia-wide sat at 70,447 properties. Across the capitals: Adelaide down from 1.3 per cent to 1.2 per cent; Perth down from 4.0 per cent to 3.7 per cent; Melbourne steady at 1.6 per cent; Brisbane down from 2.9 per cent to 2.8 per cent; Canberra down from 0.8 per cent to 0.7 per cent; Sydney steady at 2.8 per cent; Darwin up to 3.5 per cent from 3.4 per cent; and Hobart down from 0.7 per cent to 0.5 per cent.

Values decline
According to CoreLogic, dwelling prices declined in September. Falls of 0.2 per cent were recorded for Sydney, Melbourne and Adelaide, while Perth prices saw a 0.1 per cent decline. Brisbane saw prices rise by 0.1 per cent.

Listings fall and time on market rises
In September, listings declined across most capitals, with the exception of Hobart (up 10.2 per cent), Canberra (up 11 per cent) and Darwin (up 11.9 per cent), according to figures released by CoreLogic. Houses remained more popular than units, with the average time on market slightly rising across the capital cities. Canberra (27 days on the market), Hobart (32 days) and Melbourne (33 days) performed the best for houses. For units, Hobart (28 days), Melbourne (31 days) and Sydney (41 days) were the top performers. Vendor discounting across most capital cities was between 4.9 per cent and 7.3 per cent for houses, and between 5.4 per cent and 9.3 per cent for units.

Property prices decline over June quarter
Data from the *Real Estate Market Facts* report from REIA showed house prices dropped 0.8 per cent and other dwelling type prices dropped 0.3 per cent across the capital cities in the June quarter. The weighted average median price for capital city houses declined to $765,098 over the quarter, with declines in Sydney, Melbourne, Perth, Darwin and Canberra. Other dwelling prices fell to $590,935, with declines in Sydney, Perth, Adelaide and Canberra. REIA also reported that the rental market was tightening, with the weighted average vacancy rate for the capital cities declining to 2.5 per cent, with Canberra the tightest market with a vacancy rate of 0.8 per cent.

Investor loans down over quarter, up over year
According to APRA's quarterly property exposure lending stats for ADIs, there was $1.62 trillion worth of residential term loans to households as at 30 June 2018 – representing a 5.6 per cent increase ($86.6 billion) on 30 June 2017. Of these, 33.6 per cent ($544 billion) were investor loans, which was 1.9 per cent higher ($9.9 billion) than 30 June 2017. However, over the quarter, investor home loans dropped 12.4 per cent (to $117.5 billion), representing 31.1 per cent of new home loan approvals. It also noted that interest-only loans were down 54.9 per cent over the quarter, representing 16.2 per cent (or $61.2 billion) of new home loan approvals.

Value of loans declines
ABS data revealed over the past 12 months to July 2018, the value of lending for investment loans was down 15.7 per cent – which was almost 31 per cent lower since peaking in April 2015. As of July 2018, 41 per cent of all mortgage demand was from investors – which was down from almost 55 per cent in May 2015. New South Wales (49 per cent of all lending) and Victoria (41 per cent) make up the highest share of investor lending based on value.

Commercial real estate investors reap rewards
According to a report in *The Weekend West*, Australia's best real estate investments this year were commercial properties such as shops, office buildings, warehouses and apartment towers. The value of real estate investment trusts (listed property trusts) surged 12 per cent in the last six months, with most paying income yields of 5-7 per cent – more than twice as high as bank deposits and better than capital city residential property yields of 3-5 per cent.

Annual house prices fall for first time since 2012
According to the latest ABS *Residential Property Price Index*, capital city house prices fell 0.7 per cent nationally in the three months to June. They also fell 0.6 per cent during the year to June 2018, the first annual fall recorded in six years. The average price of a home is now $686,200. Over the quarter, prices fell in Sydney (-1.2 per cent), Melbourne (-0.8), Darwin (-0.9) and Perth (-0.1), while rises were recorded in Adelaide (+0.3), Canberra (+0.6), Brisbane (+0.7) and Hobart (+3.0).

Resale profits decline
Despite 89.8 per cent of Australian homes sold through 2Q18 enjoying resale profit gains (totalling $15.7 billion), national resale gains were down from 90.1 per cent in the previous quarter and 91.1 per cent over 2Q17, according to CoreLogic's quarterly *Pain and Gain Report.* Over the June 2018 quarter, 10.2 per cent of residential properties resold at a price lower than the previous sale price (total realised gross resale losses of $469.4 million).

Investor sentiment up
PIPA's *Property Investor Sentiment Survey* has revealed 77 per cent of investors said now is a good time to invest in property (up from 71 per cent last year), and 98 per cent had a plan regarding their property investments with 28 per cent having a detailed long-term plan. It was also found 90 per cent were unconcerned about price declines in Sydney and Melbourne and said it would not slow down their investment plans. Brisbane was cited by 44 per cent as the capital with the best investment prospects, while 26 per cent stumped for Melbourne and just 8 per cent gave Sydney the nod. Houses were still the most popular investment with 67 per cent of respondents, while just 6.5 per cent favoured units. Metro area properties were preferred by 72 per cent of investors and regional markets grew to 20 per cent, while coastal locations dipped in popularity to 8 per cent.

... but concerns rise too
Access to finance was a rising concern amongst investors, with 48 per cent indicating that investor lending policy changes had made it harder to secure loans to add to their portfolios, up from 43 per cent last year. The PIPA survey also found investors were concerned about the possibility of changes to negative gearing, with 45 per cent saying they would rethink investing in the future if the changes occurred, and 71 per cent believed changing negative gearing and capital gains tax would not improve housing affordability. Investors were also concerned about property investment advice, with 95 per cent saying providers should have formal training and 90 per cent called for licensing or regulation of the sector. That investors need more education on the risks and benefits of investing was also noted by 87 per cent.

News in brief

Westpac fined over home loans
Westpac has agreed to pay a $35 million fine after admitting to wrongly assessing people's ability to repay mortgages. ASIC said Westpac has admitted breaching its responsible lending obligations by either failing to collect the necessary customer data or incorrectly calculating customer's ability to repay loans in relation to 100,000 home loans out of the 260,000 loans approved between 2011 and 2015. The bank, which used an automated loan approval system that failed to consider people's declared living expenses, should not have approved about 10,500 loans.

CBA ceases funding property investment through SMSFs
Following the announcement in July that the Westpac group would no longer offer self-managed super fund loans for new consumer or business lending, the Commonwealth Bank of Australia has followed suit. CBA announced in mid-September it was withdrawing from SMSF lending and pulling its SuperGear product in October. With CBA's departure, there are no longer any of the big four banks offering new loans which enable SMSF trusts to purchase an investment property while taking advantage of superannuation tax concessions.

ATO cracking down on short-term rentals
The ATO has announced it is launching a data-matching program to pick up on taxpayers who leave out rental income and over-claim deductions. Assistant Commissioner Kath Anderson said the crackdown follows the explosion of short-term holiday rentals in the online space: "With the growing number of homes, apartments, units and rooms available via accommodation sharing sites, there is a real risk some people may not understand their tax obligations". The ATO plans to match data provided by online rental platforms and their related financial institutions with ATO records.

RE agents 2nd biggest tax deduction claimants
According to Etax.com.au's analysis of ATO data, only surgeons claim more tax deductions than real estate agents. Like surgeons, many expenses incurred by RE agents – such as car maintenance, licencing fees and incidental out-of-pocket expenses – are not reimbursed by their employers, resulting in the deductions being claimed on their tax return instead. On average, RE agents claim $8,616 in deductions.

Auction fears revealed
Research conducted by Pureprofile and commissioned by Gavl, found 43 per cent of sellers feared no buyers would show up. Selling for less than the reserve price was feared by 37 per cent and the property being passed in was cited by 20 per cent. It was also found that 67 per cent of sellers said they would want to broadcast auctions online in order to attract more buyers.

Playgrounds equate to higher prices
Research by economists from the ANU and NZ's Massey University has found that homes in walking distance to playgrounds (300m) fetch, on average, $20,000 to $32,000 more than those further away. The research compared property values between homes near open land in suburban Melbourne and those with established playgrounds.

First build-to-rent club
Australia's first build-to-rent club has been formed by the Mirvac Group and Clean Energy Finance Corporation. The club's first project will be Indigo at Sydney's Olympic Park and see the construction of a residential property with a clean energy focus.

Call for rental regulation
Detailing how the private rental sector has grown by 36 per cent over the last decade, the AHURI report *The future of the private rental sector* has stated that, by international comparison, Australia has the weakest laws regarding security and rent regulation, and has suggested policymakers consider the effectiveness of existing settings.

Declining property values impact refinancing
Research by State Custodians has found 15 per cent of property owners have tried to refinance a mortgage but were unsuccessful as the dwelling's value had declined. Despite this, the survey found 29 per cent were confident that that property had improved in value since purchase.

Tech watch: latest apps and platforms
Accuriat is an advanced digital lease extraction platform from LeaseInfo. Using AI and machine learning, it allows automation of commercial lease management. Developed in partnership with the CSIRO's Data61 and supported by the NSW Government, Accuriat reads lease contracts and scanned data and stores key info in a database, allowing tagging and linking of info across different documents, which can then be exported to asset management software via an API.

Managed is an intuitive platform that connects a RE agency with its landlords, tenants and tradies. The platform fully automates payments with the agent's fee being deducted and the rest of the rent distributed directly into the owner's account. Repairs, maintenance or strata bills are also deducted directly from the investor's account.

Proply has launched Rental Proposal functionality. The cloud-based digital proposal platform can be used to send fully-interactive, web-based proposals to vendors and landlords. Landlords can also view their proposals at any time, on any device and accept a proposal or request a call back, while PMs can track landlord engagement with real-time notification each time a proposal is opened.

Chinese investment declines
According to Juwai.com's *2018 Chinese Global Property Investment Report*, Chinese buyers purchased $23.9 billion of Australian real estate in 2017 ($19.4 billion in residential and $4.5 billion in commercial acquisitions), which was down 26.89 per cent on the estimated $33 billion spent in 2016. NZ received NZ$1.4 billion in investment. Although 2017's combined Oz and NZ figures represent a 23.2 per cent decline on 2016, they still made Australia and New Zealand the biggest market for Chinese investment.

Parents refinancing, delaying retirement
According to the *2018 Generational Property Ladder Survey*, 65 per cent of parents are dipping into their own retirement funds to help their kids buy a home. It was also found 29 per cent of respondents would delay retirement to give their kids financial assistance and 10 per cent were willing to refinance to free up cash for their offspring. While 35 per cent would consider offering an interest free loan, going guarantor for the kids' home loan was also becoming more popular.