

Post by Rick Otton November 2013

<https://australianpropertyforum.com/rick-otton-we-buy-houses-consumers-warned-about-ri-t15317.html#p186754>

Hello its Rick Otton here I am stepping in to give a little more accurate information re WA...Western Australia some time ago passed some state legislation that people need a real estate license in order buy, sell or trade a property option as you were not the technical owner in the traditional sense . I flew to WA and had an informal chat with the commissioner re this change as I was concerned that now every property developer and property speculator in WA would now need to be licensed which I felt didn't make sense. The state passed the legislation which also surprised many in the legal fraternity as it was never debated or challenged and many wondered if it would be upheld by the supreme court as like many things it was a new way people were now acquiring properties which was gaining momentum. Then a student used a cardboard box and written on it was "buy my house \$500 a week"....The state charged the student with "misleading and deceptive advertising " because he did not technically own all of the house " therefore the box should have said "buy this house"....also charged the student as operating as a real estate agent as he had an option on the house and the courts have never really clarified how much ownership of a property someone needsNow the argument has validity as the state decided to charge the student and I rightly or wrongly felt that since the student was only a 17 year old school boy I would lend a hand to get this resolved in the supreme court once and for all. This started 18 months ago and then I released the book "How to buy a house for a dollar" which became immensely popular as it pointed out that you simply build property portfolios by picking up existing property debt by a token dollar or pound moving between solicitors to act as the glue to hold the transaction together the same as Merrill Lynch did to buy Bank of America. I was contacted by WA that was concerned that if people didn't understand the concepts that they may be mislead into believing they could purchase someones entire house for a dollar coin also they were not happy with this book in WA at this time with the argument presently before the supreme court re the above. I suggested pulling all materials from WA to resolve the issue but as the strategies in the book were legal in WA they came back and requested it be withdrawn from sale for a period of two years and I refrain from teaching those actual strategies contained within the book for the same two year period so everybody could get up to speed. I agreed as well as provide more information to remove all doubt about how buying for a dollar works. I have been quiet on this for a long time as I didn't feel I needed to speak up but now I do. When I started 23 years ago in my quest to change the way people buy and sell properties it was because I felt many of the established systems and methods were hundreds or years outdated and never questioned or challenged. To question anything and or challenge the status quo means you will have supporters on one side and traditionalists who challenge you on the other, as change is threatening and uncomfortable.I started the vendor finance association of Australia and as its founding President for 8 years I successfully lobbied Govt and taxing agencies for better legislative and tax treatment on the various types of strategies and feel I was paramount in making vendor finance a more mainstream toolset which many make a living from today. I spend months questioning procedures and working out simpler easier ways of doing things and when the legal people tick all the boxes and experience shows the product has benefits then I introduce it...Like any business I

try to get it right every time but sometimes the market tells me I didn't so I'm constantly readjusting to market conditions and take the feedback whether it be good or bad...No other state or territory has questioned my book (except WA) it has been voted one of the best financial titles by both money magazine and the Dymock book shop chain and I'm proud of the over three years it took to write in order to provide a book that people would want to read about a subject that has never been written about. .Lastly last week we had discovery in WA which is the next process in Supreme court hearings. The student, having no money to fight the state and win has won support from members of the WA law society who has now offered him a Barrister free of charge. Unfortunately I'm rarely on forums and apologise that probably my silence has no doubt created concerns but I have attempted to make amends here. R -