

2ND MEETING - STOCKHOLM, NOVEMBER 1987

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ECONOMIC CLASSIFICATIONS

PROPOSALS FOR REAL ESTATE SERVICES IN ISIC AND CPC

(Note by Australia)

This submission is broadly divided into three parts:

- A    PROPOSED CHANGES TO DRAFT CPC  
     DIVISION 87
  - 1.   Broad Changes
  - 2.   Detailed Changes
- B    PROPOSED CPC DIVISION 87
  - 1.   Detailed Classification
  - 2.   Detailed Explanatory Notes
- C    PROPOSED CHANGES TO DRAFT ISIC DIVISION 83

(A) **PROPOSED CHANGES TO DRAFT CPC DIVISION 87  
REAL ESTATE SERVICES**

1. **Broad Changes**

The Australian Standard Industrial Classification (ASIC) in listing the activities related to Group 632 Real Estate Operators and Developers, includes the term 'or leaseholder' when referring to the ownership of real estate. The Australian Accounting Standard AAS17 issued in March 1984 states that a finance lease is one where substantially all of the risks and benefits incidental to ownership of leased property, effectively pass to the lessee.

In order that the renting of leased properties to others be included in the scope of CPC Group 871 the titles of CPC Group 871 and CPC Class 8729 should be amended to include 'or leased'.

2. **Detailed Changes**

SUBCLASS 87110 (Renting services) should be split because of the perceived need for and importance of separate data on residential property renting services and non-residential property renting services.

SUBCLASS 87120 (Real estate development services) should be split because of the perceived need for and importance of separate data on residential property development services and non-residential property development services.

SUBCLASS 87190 (Other real estate services involving own property) should be split because of the perceived need for and importance of separate data on residential property sales and purchases services and non-residential property sales and purchases services, and further split into buildings and land, and vacant land.

SUBCLASS 87210 (Management services) should be split because of the perceived need for and importance of separate data on residential property management services and non-residential property management services.

SUBCLASS 87290 (Other real estate services on a fee or contract basis) should be split because of the perceived need for and importance of separate data on residential property and non-residential property, and further split into buildings and land, and vacant land sales services. All other services such as title transfer services (other than by legal practitioners), property valuation services and title search services, should be included in a final category.

(B) PROPOSED CPC DIVISION 87

1. Detailed Classification

DIVISION 87			Real Estate Services
Group	Class	Subclass	
871			Real estate services involving own or leased property
	8711		Renting or leasing services
		87111	Renting or leasing services involving own or leased residential property
		87112	Renting or leasing services involving own or leased non-residential property
	8712		Real estate development services involving own property
		87121	Real estate development services involving own residential property
		87122	Real estate development services involving own non-residential property.
	8719		Other real estate services involving own property
		87191	Residential buildings and land sales or purchases services
		87192	Residential vacant land sales or purchases services
		87193	Non-residential buildings and land sales or purchases services
		87194	Non-residential vacant land sales or purchases services
872			Real estate services on a fee or contract basis
	8721		Real estate management services on a fee or contract basis
		87211	Residential property management services on a fee or contract basis
		87212	Non-residential property management services on a fee or contract basis.

8729

Other real estate services on a fee or contract basis

87291

Residential buildings and land sale services on a fee or contract basis

87292

Residential vacant land sale services on a fee or contract basis

87293

Non-residential buildings and land sale services on a fee or contract basis

87294

Non-residential vacant land sale services on a fee or contract basis

87299

Other real estate services not elsewhere classified on a fee or contract basis.

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2. **Detailed Explanatory Notes**

**SUBCLASS 87111                      RENTING OR LEASING SERVICES INVOLVING  
OWN OR LEASED RESIDENTIAL PROPERTY**

This subclass covers the renting or leasing of houses and other residential properties, by owners or leaseholders to others, eg flats, apartment buildings, multiple use buildings which are primarily residential and residential mobile home sites.

Exclusions: The operation of hotels, motels, rooming houses, school dormitories, camping sites and other lodging places providing short-stay accommodation is included in Group 843.

**SUBCLASS 87112                      RENTING OR LEASING SERVICES INVOLVING  
OWN OR LEASED NON-RESIDENTIAL PROPERTY**

This Subclass covers the renting or leasing of industrial and commercial buildings by owners or leaseholders to others, eg factories, office buildings, warehouses, theatres and multiple use buildings which are primarily non-residential; the renting and leasing of agricultural, forest and similar properties, including land rented or leased for mineral or oil exploitation.

**SUBCLASS 87121                      REAL ESTATE DEVELOPMENT SERVICES  
INVOLVING OWN RESIDENTIAL PROPERTY**

This subclass covers the development and subdivision of residential properties owned or leased by the developer, (eg development of urban or rural residential property.)

Exclusion: Construction services and constructions associated with residential property development are included in the appropriate subclasses of Divisions 71 and 72 respectively.

**SUBCLASS 87122                      REAL ESTATE DEVELOPMENT SERVICES  
INVOLVING OWN NON-RESIDENTIAL PROPERTY**

This subclass covers the development and subdivision of non-residential property owned or leased by the developer, eg development of commercial, industrial and recreational properties.

Exclusions: Construction services and constructions associated with non-residential property development are included in the appropriate Subclasses of Divisions 71 and 72 respectively.

**SUBCLASS 87191                      RESIDENTIAL BUILDINGS AND LAND SALES  
OR PURCHASES SERVICES ON OWN ACCOUNT**

This subclass covers the sales or purchases on own account of residential buildings and land such as houses, flats and apartment complexes.

**SUBCLASS 87192**

**RESIDENTIAL VACANT LAND SALES OR  
PURCHASES SERVICES ON OWN ACCOUNT**

This subclass covers the sales or purchases on own account of residential vacant land.

**SUBCLASS 87193**

**NON-RESIDENTIAL BUILDINGS AND LAND SALES  
OR PURCHASES SERVICES ON OWN ACCOUNT**

This subclass covers the sales or purchases on own account of non-residential buildings and land such as factories, shops, offices and warehouses.

**SUBCLASS 87194**

**NON-RESIDENTIAL VACANT LAND SALES OR  
PURCHASES SERVICES ON OWN ACCOUNT**

This subclass covers the sales or purchases on own account of non-residential vacant land.

**SUBCLASS 87211**

**RESIDENTIAL PROPERTY MANAGEMENT  
SERVICES ON A FEE OR CONTRACT BASIS**

This subclass covers the management of houses and other residential properties on a fee or contract basis. Management services for multi-unit apartment buildings, (or multiple use buildings which are primarily residential) and residential mobile home sites, are included.

**SUBCLASS 87212**

**NON-RESIDENTIAL PROPERTY MANAGEMENT  
SERVICES ON A FEE OR CONTRACT BASIS**

This subclass covers the management of industrial and commercial properties, theatres, multiple use buildings which are primarily non-residential, etc, on a fee or contract basis. Management services concerning agricultural, forest and similar properties on a fee or contract basis, are included.

**SUBCLASS 87291**

**RESIDENTIAL BUILDINGS AND LAND SALE  
SERVICES ON A FEE OR CONTRACT BASIS**

This subclass covers the sales of houses, flats, apartment buildings and other residential properties on a fee or contract basis.

**SUBCLASS 87292**

**RESIDENTIAL VACANT LAND SALE  
SERVICES ON A FEE OR CONTRACT BASIS**

This subclass covers the sales of residential vacant land on a fee or contract basis.

**SUBCLASS 87293**

**NON-RESIDENTIAL BUILDINGS AND LAND  
SALE SERVICES ON A FEE OR CONTRACT BASIS**

This subclass covers the sales of non-residential buildings and land, such as offices, factories, shops, etc, on a fee or contract basis.

SUBCLASS 87294

NON-RESIDENTIAL VACANT LAND SALE  
SERVICES ON A FEE OR CONTRACT BASIS

This subclass covers the sales of non-residential vacant land on a fee or contract basis.

SUBCLASS 87299

OTHER REAL ESTATE SERVICES NOT ELSEWHERE  
CLASSIFIED ON A FEE OR CONTRACT BASIS

This subclass covers the valuation of real estate property, title transfer services (other than by legal practitioners), title search and other related services not elsewhere classified related to real estate, on a fee or contract basis.

**(C) PROPOSED CHANGES TO DRAFT ISIC DIVISION 83  
REAL ESTATE ACTIVITIES**

The split of ISIC Group 830 Real Estate Activities into two classes is considered to be an acceptable dissection as there seems to be only two types of providers for this kind of activity; ie owners or leaseholders, and real estate agents.

In line with the proposal in Part A of this submission, the title of ISIC Class 8301 should include 'or leased'. Also the title of ISIC Class 8302 could be amended to reflect more clearly the type of services provided by inserting 'on a fee or commission basis'.

Class	Description
8301	Real estate activities with own or leased property
8302	Real estate activities on a fee or commission basis.