



The White Paper

News and Views from a Real Estate Agent
October 2012

What happened to the markets in September?

Last month, in the White Paper, we spoke of our excitement as the year turned to Spring with all of its promises.

So there was high anticipation for our September results. The best achievement in September was the big increase in listings, with the actual sales result being best described as "solid" - reflecting the time lag between new listings and the time it takes to convert those listings to sales.

Thus the Group achieved a similar result in September, compared to August, of \$2.4billion. Again, the pattern continued with New Zealand being up another 30% on the previous year, with the Australian markets remaining consistent with previous performances.

Loan Market held its International Conference in Melbourne last month and it was a great success with nearly 300 delegates attending. Loan Market have had a great first quarter with each state showing year on year growth and are looking forward to the year ahead.

Loan Market settled in excess of \$1.8billion for first quarter of the new financial year, this is a 17% increase on this time last year. NZ had the highest growth.

So when will Australia follow the lead from New Zealand? It is now at the six month mark since New Zealand began its renaissance - a period that, traditionally, was the lag time between our two countries in respect to market turn, both positive and negative. More theories on this next month.

Australia's Reserve Bank dropped interest rates by 25 basis points, reflecting a growing chorus of opinion that some of Australia's growth assumptions needed to be challenged, with an expected change in outlook in China.

But whatever, the run up to Christmas will be watched keenly.

Analysing the new stock offerings revealed some fabulous properties, not least the Amott family absolute beach front at Wategos Beach in Byron Bay. That's become Ray White territory at the present time with the Rae's Guesthouse property, also located in an adjoining position being currently marketed.

However, overall, inspection numbers are particularly encouraging and there seems to be less fear on behalf of purchasers to now commit to properties that absolutely suit their requirements rather than early this year, purchasers just didn't have the confidence to commit even though their ideal property was now identified.

Increasing comment that the US housing market is "rebounding" is information one loves to hear. California was regarded as being the worst US market (with the highest rate of mortgagee in possession assets) but that state is now tipped to lead the recovery, not least because it was the worst impacted.

What's New at Ray White

The "10 Years On" celebration at the original Shed, commenced by Ray White himself, was on Sunday 21st October. It's 10 years on from the company's centenary - again, celebrated at The Shed. It's staggering the number of people who came from all parts of our markets to attend this event.

The Group is blessed in actually having a "birthplace" where one can actually rattle the door handle and imagine the types of phone conversations that must have been held so long ago when a tiny business was seeking to be relevant in a tiny township.

It's a far cry from then to where the company now is positioned and the range of services Ray White offers developed confidence to offer with the expertise to match.

During the month, the 2011 decision of the company to transform its technology to a cloud-based system brought great benefits to two of our offices - one damaged by fire and one "hacked" by external influences - both of whom were able to recover all of their data and continue to operate normally without interruption.

During October, Ray White will be the only residential property group to be represented at the first ever Chinese Property Expo in Sydney to be held in Chinatown. Both Melbourne and Sydney personnel will be presenting property at this event.

During the month, Loan Market celebrated its new relationship with "One Big Switch" - a campaign to help consumers get the best home loan rates. Over 11,000 "likes" (and counting) on Facebook attest to its success.

The successful appointment to market the Wirrina Cove project in South Australia reflected the impressive breadth of our group. The project has a hotel component, a marine component as well as residential sites. Bringing all these skills together gave Ray White a compelling advantage.

Karen Seeto, who was the highest fee earner in our company in 2011-12, is particularly adept at this. Working with offices in South Australia, Mission Beach and Whitsunday's in Queensland, and our MacLean office in NSW.

Ray White Sunnybank introduced the successful Hong Kong based purchaser to the Palazzo Versace at the Gold Coast for a value of \$68.5m. The deal is expected to finalise in November. Amazingly, it will not be the biggest transaction of the Group in 2012.

Brian White
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Ray White Group