



Ray White®

The White Paper

News and Views from a Real Estate Agent
February 2013

What happened to the markets in January?

January is the one month of the year when the big focus is on our resort areas. Planning by our offices in those locations to feature and market the best properties has been happening for months. The test: will buyers respond?!

Nothing exemplified this more than the "The Event" - conducted at Surfers Paradise by our local Ray White team.

Over 100 properties were put to Auction by them with an 70 per cent clearance of properties under \$1m. Over \$1m the clearance rate was less at 65.1 per cent. But there is great confidence in the continuing negotiations that almost all of these will be sold.

A barometer for 2013? We think so. There are more strong and positive comments emanating in Australia than we have seen in years. Adding to this, the news that the US housing market had an average pricing increase of 8.3 per cent (excluding foreclosures) over the last 12 months is more evidence to support confidence.

And, again, New Zealand is full of running. Absolutely remarkable with Ray White's results in January - a whopping 42 per cent ahead of last January. It's coming up to the first anniversary since New Zealand went into lift off. A year of price growth - particularly in Auckland. How distant are the memories of the devastation to Christchurch's property market!

Following the trend in New Zealand, Western Australia recorded its best ever month since Ray White entered the market there in 1994. January's result was 43 per cent ahead of last year - astonishing that a January result could result in an all time record. (Perhaps of interest is that Western Australia and New Zealand were both ahead of the previous year by the same percentage.)

Our Loan Market started 2013 strongly following an excellent half year to December. Settlements in January were 8 per cent above January last year and loan applications were 13 per cent stronger year on year.

There is growing evidence that a tighter integration in the processes of buying real estate and arranging one's mortgage brings genuine value to our buyers.

Whilst activity was seasonally down for both commercial and rural there was still a lot of activity. Some examples, a Gympie macadamia farm sold for \$3.3million by Jez McNamara to well-known coal mining entrepreneur David Knappick and a \$7.6m sale of the Brisbane retail asset below the Felix apartments by Mark Greer and Andrew Adnam.

Look for greater auction activity in 2013. In an improving market, price growth is driven by the auction process. Buyer competition creates price growth.

It happens when buyers are competing for the same property - old values and data quickly lose their relevance when someone else wants the property you have set your

heart on. Already, in Auckland New Zealand, Ray White auctions are now being conducted on 26 per cent of listings as compared to 15 per cent a year or so earlier. The Real Estate Institute of New Zealand reports sales by auctions in January 2013 doubled that of the previous year across the nation also.

What's new at Ray White

Perhaps the most credible evidence that the market is looking much better comes from the increased interest by successful property people to contemplate opening a new agency business of their own. Most interest in recent years has been centred around "re-branding" opportunities. Now, more and more, successful practitioners are sensing that the next cycle of real estate has begun. They want to participate.

All through January and February, our technology teams are completing the rollout of Ray White's One System - an integrated platform that brings all the best technology processes together. It's one of the best things we've ever done.

During the month, we were delighted to be appointed by Josh and Jenna of "The Block" fame to auction their Channel 9 featured property. Cameron Airlie from our Maroubra office is our agent.

In Western Australia, White Private is marketing the impressive Kelmscott Plaza retail investment with an annual income of \$1.4m.

Lots of new offices - of particular interest Rebecca Zhang's new office opening at Lidcombe (Sydney). Rebecca played a huge part in finessing Ray White's marketing strategy to the Chinese. Now she is in that very market herself!



Josh and Jenna - The Block



Kelmscott Plaza

Brian White
Joint Chairman
Ray White Group