

The White Paper

News and views from a real estate agent
June 2013



What happened to the markets in May?

Stock market investors are regularly advised "sell in May, stay away". As this year turned out, that was, again, wonderful advice. Who foresaw the disappointments stock market investors again experienced last month?

But what about the property markets in May? Well, Ray White's figures reflected a steady continuing pattern that took shape earlier this year. Strength in New Zealand, significant growth in West Australia and powerful growth in New South Wales. The other Australian markets are yet to "leap forward". Predictions that mining project cancellations would hit confidence levels for residential acquisitions have not happened.

Thus, Ray White's figures for May added up to \$2.7 billion - 17 per cent up on the same month last year. About what we were hoping for.

Again, interest from Asian markets is robust. Once more, Ray White's Central Auckland offices dominated the Group's results.

Last month's White Paper described two major Sydney Harbour residential homes at pre-GFC premium values. All this is feeding into optimism for new Sydney projects. For example, Ray White's marketing of the prime Legion Cabs site in Surry Hills (which is estimated to support 70 new residential units) has attracted more than 200 enquiries! How long since that has happened?

The reduced interest rates have encouraged the acquisition of income earning assets and hotels fit perfectly into this category. Sales

across the country by Ray White Hotels included Tall Timbers in Ourimba NSW and Waterloo Bay Hotel, Wynnum QLD.

The Group's Loan Market activity achieved an all time lodgement record of \$833 million and an all time approvals record of \$668 million.

The Group's specialist commercial office in Auckland had an excellent month - notable sales included the iconic Ponsonby Post Office building yielding six per cent with a sale price of \$4.86million together with the Mahurangi Shopping Centre at Snells Beach for \$5.55 million with a 5.2 per cent initial yield.

What's new at Ray White

The new partnership between White Private and Independent Property Partners or IPP (to be known as White & Partners) has been successfully appointed by the Queensland Government to advise on its review of its property assets. This initiative by the Queensland Government is designed to create a property evaluation programme. This is a significant appointment for the Group and is a testament to the skills and knowledge of the White & Partners team.

New offices opened in several regional centres in Queensland, plus a big welcome to the Brown family who rebranded their business at Caboolture. New Zealand opened two new offices, the first on Auckland's North Shore at Forrest Hill and the second in the Southern Lakes area of Cromwell. In NSW, six new offices plus two existing businesses welcoming new owners - primarily in Sydney - have commenced in May or will do so in June.

More Ray White offices in Indonesia - particularly in Jakarta. And, early in June, a

new office in the Indian city of Ludhiana.

Plans are well underway for Ray White's display presentation at this year's Beijing International Property & Investment Exhibition (Autumn) at the end of September. Already, some outstanding Australian, New Zealand and Indonesian listings will be promoted.

The new marketing positioning for the Group has received tremendous support from the network. Built around "Ray White_Know How", it brings fresh messages to our communities.

At the end of May, we wish Andrea McNaughton well for the forthcoming new arrival to her family! And to extend to Kristy Bartlett success in supporting Andrea.

A handwritten signature in black ink, appearing to read "Brian White".

Brian White
Joint Chairman
Ray White Group