

The White Paper

News and views from a real estate agent
July 2013



What happened to the markets in June?

After our brilliant May, where (for the first time since the GFC) our Group achieved a \$3billion result, hopes were high for a repeat performance.

It didn't happen. Our June number achieved a figure of \$2.3billion. One always hopes that figures will keep climbing! However, it was an okay lift from June 2012 (5 per cent over June 2012).

As it was the first of the Southern Hemisphere winter months, it was consistent with seasonal movements. Supported by all our markets (with the exception of Victoria being behind their May result).

In Australia the extraordinary political events on the national stage were certain to have some negative impact. On top of that, the seemingly constant warnings that Australia was set to be severely weakened by poorer terms of trade with China, has taken the edge off the Australian confidence - a confidence that had supported a fabulous market right from the beginning of 2013.

Nevertheless, the Kiwi market maintained its resilience. Central Auckland remains the star act in the Australasian scene. New Zealand has become such an international market. Its resale market is so attractive to international buyers through their non restrictive policies.

All in all, it is leading to stock shortages right across our markets. This could be seen in the month on month fall in May listing numbers, where the Ray White Group was down 10 per cent and the overall market fell by 14 per cent.

At least the restrictions on the types of property assets non Australians can purchase has led to a continuing demand for "off the plan" unit sales. Rarely has there been so much confidence in our redevelopment markets - where foreign buyers are welcomed! Ray White's sale of the Legion Cabs site in central Sydney went well over

reserve, with ferocious bidding from at least six parties determined to secure a redevelopment opportunity in a proven market for overseas buyers - combined with local interest.

Some fabulous hotel sales were achieved through our market leading hotel division including the Cat and Fiddle Hotel, Garry Owen Hotel, Crown and Anchor Hotel, Charing Cross Hotel and the Tall Timbers Hotel.

Our Loan Market settlements were \$500,524,000 - our best result since January 2012! The Loan Market numbers were boosted by refinance enquiry from borrowers looking to take advantage of historically low fixed rates.

Confidence that interest rates will remain - either at current levels or lower - is providing huge numbers at "open for inspections" across all our markets.

Of importance, was Ray White Rural's result of a 50 per cent clearance of rural properties taken to auction in June - much higher than for a long time. Price corrections are happening as vendors realise the market has changed and they have to meet it to sell.

What's new at Ray White

New offices in New South Wales include Haberfield and Greystanes. Blakehurst and Parramatta, as existing offices, gain new principals. For the latter, elite salesperson Steven Fan rises to the helm. In Auckland, Ray White has opened two new offices in Sandringham and on the Hibiscus Coast in the area of Manly.

This month, Group director Mark McLeod leads an impressive Ray White team to the Inman Conference - technology for estate agents - in San Francisco. Change seems to be showing no signs of slowing!

Speaking about becoming broader, watch for some of Ray White Marine's new locations. More on this next month. Reflecting the relevance of quality marketing, some big sales now coming together each month.

Plenty on the general agency front. Doug O'Mara celebrates 10 years with Ray White in Canberra. What a remarkable business he and his partners are developing! Also, Tony Fountain - such a key player in the establishment of Ray White as NSW's major auction group - celebrates calling 30,000 auctions over a span of 50 years.



Doug O'Mara, Ray White Canberra

Our key investment seminar in Beijing, on September 19 - 22, is creating enormous interest from clients of the Group. At this key property exposure in China's capital, so many of Ray White's clients will have their assets, or their presence, promoted to the tens of thousands who will visit the event. Ray White is proud to be at the 'cutting edge' in the exposure of our clients' assets to this massive market.

So much is happening. It seems every day some discussion is occurring with the Bell brothers from Ray White Surfers Paradise regarding their remarkable ambitions. How blessed are we to have principals with continuing restless ambitions.

And, finally, a big welcome to George - our Victorian CEO Andrea McNaughton's new arrival!

Brian White
Joint Chairman
Ray White Group