

The White Paper

News and views from a real estate agent
December 2013



What happened to the markets in November?

Sometimes predictions can be a 'no brainer'. Last month we said November would be a record breaker and that is exactly what happened. Final figures came in just short of \$3.2billion!

No surprise that New South Wales was the standout with its first \$1billion month, reflecting the depth of the market across all sectors.

Perhaps, in these circumstances, it was inevitable that our Double Bay and Lower North Shore businesses were standouts, the latter achieving a personal best month. Many commentators have expressed surprise in recent times that the absolute luxury residential sectors of Sydney have not led Sydney's overall growth. Our members suggest that might be changing.

There were consistent results right across our Group. Examples include Remuera in Auckland with over \$50million in sales and Glen Waverley in Melbourne with \$37million.

What is also an easy prediction is now what will happen in December. No slow down. No pause on auction activity. Just full speed! What ever happened to the pre-Christmas exhaustion?

Evidence that central authorities don't like real estate activity becoming frenetic came from New Zealand and Indonesia recently where both countries have had increased government restrictions. In



Stephen Nell
NSW CEO • Ray White Group

the case of Indonesia, where interest rates are centrally controlled, mortgage rates increased by two per cent. In New Zealand, greater restrictions on finance availability will tighten demand. Who knows if or when the Reserve Bank of Australia will follow.

Positive momentum continues in commercial property markets, with the Group achieving \$176million in sales for the month, representing a 10 per cent increase on last year. We witnessed some very strong auction results in both Sydney and Brisbane, illustrating the benefits that disciplined marketing programs provide our clients in a strengthening market.

The sale of Buddah Station was the biggest rural sale for the year for Ray White. The \$19.2million property was sold, under the hammer in Brisbane, by Rob Southwell of Ray White Narrabri. Across Australia, rural sales for November were up on previous months, supported by a lot more inspections and bidders at auction. One smaller rural property in Warwick attracted a whopping 75 enquiries.

Loan Market settled \$530million and applications continue to rise across Australia with \$819million a record for November - a sign that the finance market is hot as well?

What's new at Ray White?

Ray White is up and running in Atlanta from November, after four months of preparation on the ground. Our first office in the USA. Unbelievably exciting. Already achieving an impressive rent roll and making sales of repossessed US homes in many of our markets here in the Asia Pacific region.

And there are plenty of new businesses opening closer to home. A powerful mixture of rebranding businesses and

brand new start ups. The experience at Ray White Balmain (Sydney) where Sam Kelso and Emily Sim opened a new business and were profitable in the first year, is inspiring. Neither had ever sold in their trade area before opening! In Auckland, two new start businesses are underway: in the north Millwater and in the west of Auckland Kelston. In New South Wales. Callala Bay, Culburra Beach, Rouse Hill, Thornleigh and Jindabyne will launch shortly.

November was a big action month. Our Cutting Edge Conference had an excellent attendance. So many new products were released. Inspiring stories of success. The emergence of leadership in so many businesses.



The appointment of Brian Greer as General Manager of Loan Market in New Zealand was an important announcement in November.

So much preparation for 2014. Unrelenting determination to keep driving our collective market share. So much comes down to us, as a Group, providing value to those perfecting the art of real estate profession. No resting on laurels.

The opening of our own offices in Beijing and Singapore will bring greater depth to our team.

Brian White
Joint Chairman
Ray White Group