

The White Paper

News and views from a real estate agent
August 2013



What happened to the markets in July?

Perhaps the best thing that has happened to our markets, in Australia at least, has been the announcement of an earlier federal election than previously indicated.

Why property markets go into some form of hiatus with a looming election remains a constant bafflement. Why? We have no idea, but it seems to keep happening. At least in Australia, 7 September gives us a much better run at the vital spring selling season than otherwise could well have been the case.

Thus we will have an earlier freeing up of stock - stock shortages have become the overriding influence in the agency market in recent times. So our relative disappointment at our July result of \$2.1 billion was tempered with the optimism of what will happen later on this year. Particularly with the additional interest rate drop announced this week.

None of the Australian states reported the stock levels of recent times. It was easy to predict that auction clearance rates would increase as they did.

The New Zealand story of continuing confidence in their economy and their government seems to be almost 'locked in'! What a blessing confidence is. It's certainly oxygen to the real estate market. Ray White New Zealand's results in July were actually up (over 24 per cent on the previous July).

Loan Market, in July, grew by four per cent year on year. It remains a constant ambition for the Group to continue to integrate our agency activities with other members offering specialist mortgage advice - the combination brings so many benefits to our potential purchasers - not least that they have secured the best loan for themselves. At the same time, we're able to give comfort to our sellers that buyers, keen on

their property, have fully tested their potential to maximise their offer.

What's new at Ray White

Newly published market share figures confirm a big jump for the Group in New Zealand. Always difficult in an excellent market! (In Australia, best market share gains were achieved in Tasmania and the ACT.)



Gaining publicity during the month was the appointment of Mark Williams to the role of Head of Asia and Greater China, based in Hong Kong. His appointment ties in beautifully with the Group's pending presence in the Beijing International Property and Investment Expo in September.



During July, Greg Bell from Ray White Surfers Paradise Group led a marketing initiative in Jakarta selling residential assets from previously distressed vendors in the southern states of the USA. In Greg's words "There was a response. We have sold 15 US properties to Indonesians in Jakarta!" The increasing power of our Group.



Also during the month we held, with our India leader Ajay Midha, an information evening in Sydney outlining to the Indian community opportunities to open offices in India itself. To our amazement, we now have a request for a total of seven more offices in India. In three of those situations, there have been applications from existing Sydney businesses to rebrand to Ray White to serve the rapidly growing Indian population. Australian government statistics show the fastest growing Asian demographic population in Australia is from India.

In New Zealand, offices have been opened in three new locations throughout Auckland being Sandringham, Forrest Hill and Manly on the Hibiscus Coast. Notable in New Zealand were the recent accolades given to Ray White City Apartments and Ray White Rolleston who were awarded as the REINZ Agencies of the Year in the medium and small categories respectively.

Bruce Whillans' Ray White Commercial business in Auckland continues to prosper. Brice Clark (ex Bayleys) and Blair Chandler (ex CBRE) have recently joined, bringing the team to 10. With over \$100million in sales already transacted this year, Brice and Blair's combined experience and knowledge will add further capacity and expertise to the team.



A huge joy for the Group occurred with Loan Market awarded 'Aggregator of the Year'. In Sam White's words, "A tremendous recognition of the team which has now created one of the very major loan brokers in the country."

The largest gathering of property managers in the southern hemisphere - Wealth Conference - is currently taking registrations. We are recommending our principals and their teams attend in November. This year's theme is "Limitless". You can register at www.wealthconference.com.au

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