



Ray White®

The White Paper

News and Views from a Real Estate Agent
May 2013

What happened to the markets in April?

Easter is one of the key events in our community's calendar. Full of symbolism and tradition! Hopefully it doesn't sound disrespectful but, traditionally, it also seems to have a powerful influence on real estate activity!

Easter marks the end of summer. We're used to seeing activity levels ease until the next spring. So what happened this year? Well, New Zealand didn't pause for an instant with three of our top five businesses internationally located in central Auckland! It's the most powerful story in recent times. But Australia, even now in full election mode, was far from tawdry coming in at 18 per cent over last year. So our total figure of \$2.44billion was pleasing.

What was pleasing was the resilience of New South Wales. Of course, when two massive sales are announced (two homes in Point Piper selling at prices which project them into the top three sales of all time in Australia) it has to be a tonic for the market. Both sales were made to Chinese purchasers.

Powerful results continued in Perth. Interest rates in Australia are again under debate. Amazingly, talk about softening the Australian economy is back in vogue.

Yet there's plenty to be confident about at the present time. Crisscrossing news of world trends and events is not creating any hesitancy in open for inspection numbers. The reduction in the overall housing stock on the market is, to us, a sign of confidence by sellers that prices are likely to improve. Might this prove to be a resilient winter market?

Supporting this were our strong Loan Market numbers for April (submissions up 20 per cent on the previous year) reflecting this underlying confidence. The fact that our lodgements are greater than our settlements is a further indicator that buyers are preparing themselves to commit. Supporting hope for winter market activity!

Disturbing reports indicating continuing decline in the value of rural properties (created by the uncertainty in live export markets) is becoming a significant question that needs to be resolved by governments.

Activity across our commercial markets continues to be promising. Being led by an extraordinary increase in the value of listed property companies. How good for the property industry to have investors sensing that they need to work hard to get a worthwhile return on their savings rather than leaving those funds in cash management trusts etc.

What is new at Ray White?

The importance of Chinese purchasers in Australia is beginning to mirror the experience in New Zealand. Our new document "Ray White and China" highlights three astonishing stories where Ray White has created an integration in Chinese activity. A key integration role in the Chinese market.



All this is building from our remarkable business in Indonesia where Ray White is now the clear country leader. Our planned new office in Singapore is just another part of the transformation.

New offices in Australasia are particularly exciting. Sandringham and Forrest Hill in Auckland together with Ashburton on the South Island, Wandoan and Miles in Queensland plus two new offices in Townsville. In Sydney we have a new office in Brighton Le Sands and in Melbourne we have two new offices in Brunswick and Craigieburn.

As foreshadowed last month, White Private sold Kelmescott Plaza in Perth for a satisfactory \$15million.

On the commercial front, marketing commenced for the fabulous Legion Cab site in Surry Hills which is already attracting substantial interest.

Ray White Marine continues to become a stronger and stronger player - now selling some of the more expensive vessels in Sydney.

Our monthly White Paper is now also published in Mandarin.

Brian White
Joint Chairman
Ray White Group