



What happened to the markets in February?

Is there a bell ringing in Australia?

Everyone laments, once a market has turned upwards, that they hadn't participated. They were unconvinced at the time, due to a lack of dramatic facts, that a market change for the better had happened.

Could it be that the market, in Australia, changed in February? The fact that there wasn't a bell ringing should not disguise straws in the wind that it was time to become active.

February also coincided with the first anniversary of New Zealand's dramatic turnaround where they have seen their market increase by 25-30 per cent - particularly in Auckland. Once again, a bell didn't ring, but there are signs of activity and that kept building as the year went on and continues into 2013.

So what is the basis for presenting this optimistic outcome?

One of the biggest indicators is the open for inspection visitors. It is a long time since our offices have reported 50 - 70, or even more, visitors to an open for inspection. Only a year ago it was down to a handful or even less. We talk about interest rates being at extremely attractive levels but, in our opinion, it is just the turning of the cycle. How tough the down cycle has been since the climax of the market back in 2007 - it's almost been the full length of a property cycle since that downturn.

The WA market continued its strength which we announced in last month's White Paper. Even the prestige markets in Sydney and Melbourne are feeling the impact of greater confidence, with some significant sales about to be announced. Another factor that will be a positive influence in Australia is the new "Significant Investment Visas" which are designed to give access and permanent residency to Asians who are prepared to make significant commitments to Australia's infrastructure. New Zealand has been blessed with a welcome new attitude now for some time which has benefitted the wealth of all its citizens.

Overall, Ray White's sales for February totalled \$2 billion which compares with last year. Our Loan Market result was steady with settlements totalling \$445 million.

Of particular interest to watchers in real estate is the increase in real estate in so many areas around the world. The market continues to improve in the United States - as we observed last month.

What's New at Ray White

A lot has been happening in the Group beyond our well-known residential focus. A particular example would be the development of our Hotels business. Last month Andrew Jolliffe (Sydney) sold the Greystanes Inn and is currently marketing the Republic Hotel on the corner of Pitt and Bridge Streets in Sydney.

Paul Hall from Ray White Advisory has been commissioned by a major investment bank to advise on a wide range of hotels. Charlie Yankos from the Group's investment operation has finalised the re-development of Keppel Bay Hotel on behalf of Goldman Sachs. And this is only just a sample of the range of activities that the overall group is doing.

March is also the month where the company's Awards night are focused, reflecting on the result of the 2012 year. It is remarkable to realise that New Zealand has taken out the majority of the major international awards for 2012 in the office and individual salespeople categories.

Our expanding Livestock operation has become relevant in Stud Cattle selling - an expertise in the whole structure of the cattle industry in Australia.

A recent nationwide industry magazine ranked the best real estate agencies in Australia. It was an astounding achievement to see Ray White's Rockingham business (WA) come in at number one and Victoria's Ray White Glen Waverley rank at number two.



Murray Brown, Principal, Ray White Rockingham WA.
Named no.1 office in Australia by industry magazine.

Brian White
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