

The White Paper

News and views from a real estate agent
January 2014



What happened to the markets in December?

December 2013 provides the proof of why one remains completely fascinated with real estate. That the Ray White result for December just missed \$3billion by a whisker, actually \$2.96billion, astonished us all.

Tradition has determined that December will be a "slow" month. Annual budgets generally provide for discounted figures in December. Statements like people being too busy organising Christmas, and support services, lawyers and banks close down etc, are often heard. All good reasons to justify low expectations.

But there's an increasing awareness that, in terms of number of operational business days, December generally trades at the same sales rate as any other time of the year.

By the end of December 2013, we had a sales result that would rival any month of the cycle!

For us, an interesting observation was that each of our markets were somewhere between 30 - 35 per cent up on December 2012 (NSW was more than 40 per cent over). This evenness of increase is not common, reflecting the strong endorsement of property investment. What is also of interest is that our New Zealand results were also substantially ahead of last year, 19 per cent over. Bearing in mind that the New Zealand market (particularly Auckland) turned dramatically better in March 2012 gives confidence to Australians that our improved market may well be sustained through 2014.

Our commercial team finished a strong year with a fantastic result. Our December commercial sales and leasing activity was over \$200million. Highlights include Bruce Whillans' team in Auckland contributing to a result many times stronger than the average

month for New Zealand commercial, and our strong auction successes in Sydney and Brisbane. We will start 2014 with plenty of momentum.

Loan Market posted a record month with \$596million in settlements nationally. Our strongest states, exceeding budget, were NSW with a record \$164million in settlements followed by SAVNT with \$57million and QLD with \$128million.

What's new at Ray White

An iconic property known by many names, including Cronulla's Spaceship and the White house to Southern Sydney-siders, will be offered for sale early next month. Apollo Gate, as it is formally known, in Cronulla, will be marketed by Ray White Rockdale's Con Economos.

The extraordinary six-bedroom house was designed in 1973 (the same year the Sydney Opera House was constructed) by Sydney-based architect Reuben Lane. The two properties are not without their similarities, with Apollo Gate enjoying views from Port Hacking to Bundeena and Jibbon beach. It's most famous for its futuristic style and, at 4-6 Cowra Place, Cronulla, has no visible right angles and spans two blocks of land.

Meanwhile, further north, Mark Beale at Ray White Whitsunday has listed the only property in the Whitsundays with a private marina (big enough to moor two 70 foot yachts), Mandalay House. The expansive home enjoys uninterrupted views of the Whitsunday Islands and has pristine national park on its doorstep.

Set on a 4,200 square metre block with a north-westerly aspect, the property boasts its own helipad. The 2,649 square metre residence is expected to achieve \$25million.

Into the business world of real estate, we have just completed the filming of one of our most important case studies in recent times. Sam Kelso and Emily Sim opened Ray White

Balmain in January 2013. Neither had sold in the Balmain area before. Both were nervous – did they have enough money to do this? Clever in their approach, these new business owners started with little capital and have managed to grow their real estate business in a competitive market and turn a profit in their first year.

A winning partnership, effective cost saving initiatives and the right support has seen this business team's first 12 months a success. This video case study is now available online.

New offices have opened only days into the new year. In New South Wales, these include Thornleigh, Rouse Hill and Kingscliff. In New Zealand the Group is opening a new office in the South Auckland suburb at Takanini. In SAVNT, we'll see openings in Port Adelaide, Barossa Valley and Salisbury. In Western Australia, our new business in Kambalda in the Goldfields has started well with several sales and new managements in only their first month while our newest office in the West, Ray White North Beach opened on the first day of 2014.

Outside of Australia and New Zealand, new offices are planned for launch in key markets in southeast Asia in coming weeks and months.

A handwritten signature in black ink that reads "Brian White".

Brian White
Joint Chairman
Ray White Group