WOMEN'S REAL ESTATE NETWORK
Connecting women in the real estate industry

November 2008

THE MOTIVATOR

"I often wonder why so many of us wait for a crisis before we identify and act on our personal values and priorities."

Dr Jackie Holt.

With the global credit crisis and a slowing local property market causing shudders across the real estate industry, the Women's Real Estate Network this month looks at ways you can retain productivity and even develop strategies for growth during the downturn.

For practical tips from one of the country's leading real estate speakers, don't miss our special upcoming luncheon and training session - "Savvy Strategies for Surviving Today's Market". Presented by internationally renowned real estate marketing and technology trainer, Julie Ryan, the event will be held on December 3. **Book now!**

If you are concerned about the economy and its impact on your income, don't worry - you are not alone. But don't panic. In "Top Lessons From The Last Recession" we show you how a slowing economy does not mean you have to stop growing.

We also hear from leading economic forecaster and industry analyst, BIS Shrapnel's Robert Mellor, who offers some heartening news about the property market in 2009.

Lastly, in the lead-up to the "silly season", we offer you a chance to sit back and relax with your WREN friends at our Brisbane Christmas luncheon to be held on December 10. **Book now!**

Wishing you continued success!
Paula Shearer, National Director.

december functions

SAVVY STRATEGIES FOR SURVIVING

For practical tips from one of the country's leading real estate speakers, don't miss our special luncheon and training session, "Savvy Strategies For Surviving Today's Market".

Presented by internationally renowned real estate trainer, Julie Ryan, the event offers you a chance to learn strategies to work through the tightening of the property market!

Known for making the complex simple, Julie created the video series "Street-Smart Listing Secrets" and wrote the book "The E-Toolkit". Before commencing her training career, Julie was a

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If you would like to see an issue raised, a story published or a topic covered at one of our functions, we'd love to hear from you. Just click HERE to send us an email.

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VISIT OUR WEBSITE

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OUR SUPPORTERS

A big thank you to the continued support from the following businesses...

successful real estate agent. She established an outstanding personal sales career at just 19 years of age and owned a large real estate agency by the time she was 21.

Now an advisor to the Australian Federal Government on real estate matters, Julie regularly tours internationally. Her special presentation for the Women's Real Estate Network follows her latest study tour of the US property market.

Don't miss this opportunity to hear from one of the industry's best trainers for the special ticket price of just $25 including a light luncheon.

If you have any queries, please email tickets@wren.net.au.

CLICK HERE to book tickets NOW!

DATE: Wednesday, December 3, 2008
TIME: 12-2pm
VENUE: SurfAir Wyndham Resort,
923 David Low Way, Marcoola Beach.
TICKETS: $25 including light luncheon

FUN, FOOD and FASHION

Due to member requests following the overwhelming success of our previous event, our Christmas luncheon will see fashions return to the catwalk in December. Join us on December 10 from 12-2pm for a fun fashion parade and buy garments directly off the catwalk. With professional models parading current season stock, designer labels from overseas, mainstream labels and accessories at up to 90% off retail prices, this is your chance to pick up some great Christmas gifts for family and friends. Our last event saw guests snapping up $10 designer sunglasses, $20 designer handbags and designer fashions from as little as $10. Organised by Designer Wear Fashion Parades, the event caters for all women's sizes, shapes and ages. Luncheon guests will receive a bidding card and if you like what you see you simply put up your card to secure the item.

Entry to this special event is **strictly ticket only** and payments will not be accepted at the door. You must book, complete payment and present your ticket on the day for entry. Your assistance in this matter is greatly appreciated.

For ticket reservations email zoes@remax.com.au the names of ALL people attending.

CLICK HERE to download payment form!

DATE: Wednesday, December 10, 2008
TIME: 12-2pm
VENUE: Easts Leagues Club, Main Rd, Coorparoo
TICKETS: $20 each including lunch

industry news

Residential property market revival tipped for 2009

Leading economic forecaster and industry analyst, BIS Shrapnel expects that residential property prices will rise over the course of 2009, following a weak performance this year.

The company says it is likely that residential property prices declined in most cities in the September quarter of 2008, following on from a marginal fall in the previous quarter.

"On the surface, these two quarters of decline may appear to represent a 'recession' in residential property markets," BIS Shrapnel Managing Director Robert Mellor said. "However, we do not expect that the recent weakness represents the beginning of a sustained decline in prices of the type that is underway in the US and UK. In the US there is clearly an oversupply of housing and, combined with much tighter lending conditions, there have been sizable falls in property prices."

BIS Shrapnel notes that difficult credit market conditions flowing from the US have affected other countries. The UK mortgage market had secured 70% of its finance from international funding sources, meaning when the cost of debt rose during 2007 and 2008, there were far greater restrictions placed on loans.

"While UK housing interest rates have declined in 2008 to date, demand was constrained and house prices have continued to weaken this year," Mr Mellor said.

Australia's mortgage market is less dependent on international funding sources and availablity of finance is solid, in contrast to the UK. "In Australia there is a clear undersupply of housing and an environment of housing shortgages provides fertile ground for interest rate cuts," he said. "Recent Government policy moves, like the boost to the First Home Owners Grant, are likely to be successful because of the current housing shortages."

BIS Shrapnel believes the global credit crunch will actually support Australian residential property prices in 2009, as financing constraints reduce the pipeline of new rental developments. National starts of new medium and high density dwellings are forecast to plunge by 18% in 2008/09 and, as supply declines, the rental markets in all cities will tighten further, which will support property prices.

"For example, in Sydney, the number of new medium and high density dwellings being completed is forecast to fall to a 20-year low in 2009, pushing the vacancy rate to below one percent," Mr Mellor said. "Rental properties will remain in short supply, and the national average rental growth is forecast to rise to 10% in 20009, up from the current rate of 8.2%, according to the Australian Bureau of Statistics Rental Index."

BIS Shrapnel forecasts further turbulence in property markets as unemployment rises. The national unemployment rate is expected to rise to 6% by the end of 2009 and employment growth is expected to be very low. However, an outright decline in the total number of people employed is not anticipated. Mr Mellor said it was important to note that increases in unemployment in 1997 and 2001 did not lead to sustained decreases in property prices.

"There may be unfortunate home owners who lose their jobs and may need to sell their properties, but at the moment there are many rentors who will be seeking to buy," he said. "Interest rate cuts and the increase in the First Home Owners Grant are providing motivation for these people to buy before the end of 2008/09, and this outcome will support growth in property prices."

In addition, BIS Shrapnel expects a return of investors to the market by the latter part of 2009, which will also help to support modest price growth. Overall, residential property prices are expected to gradually recover in 2009, with growth of up to 3% across Australia's capital cities as the market strengthens in the second half of the 2009 calendar year.

Commercial sales drop 53%

The global credit crisis and concerns about a slowing local economy have driven Australia's commercial property sales to a six-year low according to new research from CB Richard Ellis. CBRE Research and Consulting Executive Director Kevin Stanley said that in the first three quarters of 2008, sales of properties over $5 million totalled just $5.6 billion - 53% down on the same period last year. The results are consistent with trends around the world. "Investment activity has slowed due to uncertainty about how far prices may yet fall and a lack of debt available for larger transactions," Mr Stanley said. "Sellers are not under sufficient pressure to be forced to drop prices enough to interest buyers, who are waiting for a discount from the peak of the market late last year. This standoff has persisted all year." Mr Stanley said reduction in trading activity had been the most immediate and direct impact of the global crisis. However, there were signs that conditions conducive to investing in real estate were returning. "The cost of capital is coming down and the yields from property are rising, creating a positive spread in return," he said. "The lower value of the Australian dollar will also add further interest from the many active foreign investors."

Study reveals costs for new housing

The Local Government Association of Queensland has released a report on the breakdown of new housing costs in South-East Queensland (SEQ). The analysis was based on the most recently published statistics for house and land sales and development cost benchmarks in new residential estates located at Calamvale, Doolandella, Upper Coomera, Springfield Lakes, Mango Hill, Narangba and Sippy Downs. The study defined the most typical new house in SEQ as being a 200sqm brick veneer home with four bedrooms and two bathrooms. Land area ranged from 400-700sqm while the cost of house and land packages ranged from $430,000 to $540,000. The study revealed these costs could be broken into the following categories: house construction 41-43%; land purchase, site preparation and earthworks 20-21%; developer's return (before sales and marketing expenses and company tax) 18-19%; Federal Government taxes and charges 5-9%; infrastructure charges (water, sewerage, stormwater, parklands) 4%; State Government taxes and charges 3-4%.

tools and resources

How safe are you when working?

It is the nature of the real estate industry that agents are often at properties alone or with prospective buyers/renters. This out-of-office work leaves agency staff particularly vulnerable and real estate agents have been threatened and assaulted in the course of their normal work activities. Minimise your risks by brushing up on these tips provided by WorkSafe Victoria.
Read more...

Top lessons from the last recession

The economy is slowing, but don't panic - you can still grow in a downturn. Greg Will, a partner in PricewaterhouseCoopers private companies practice, has researched the last recession and identified strategies used by companies that actually grew in the last slowdown. Their Top 10 Tips...

1. **Scenario Planning**: If you are sliding into trouble, ask yourself what is the root cause of your problems. Look for internal problems such as poor systems or staff. Key areas to address: revenue, cost structure, quality of your

business plan, capital structure.

2. **Flexible Balance Sheet**: Making sure you have plenty of cash is a key factor to survival. Pay careful attention to cashflow, chase down debtors, reduce debt. Consider turning assets into cash by selling plant and equipment then leasing it back.
3. **Flexibile Operations**: Look at your sources of revenue and be prepared to switch focus and effort from one to another depending on where the best opportunities are.
4. **Market Share**: It is tempting to cut marketing spending in a downturn. Don't! If anything, you should be increasing your spend. If your competitors are struggling during the downturn, you can quickly take advantage and grab customers from them - but only if your brand is in good shape.
5. **Staff**: Concentrate on retaining good staff while getting rid of staff who don't have hunger and passion to survive the lean years.
6. **Cost Cutting**: Be careful to only cut costs at the periphery of the business - cut fat not muscle.
7. **Service Range**: Review which services actually work and discard less successful ones you may have kept in better times.
8. **Customer/Supplier Analysis**: Think about how the slowdown will affect key customers and suppliers. Shortlist the best, paying them the most care and attention.
9. **Mergers/Acquisitions**: Some of your competitors will not survive the downturn. If you feel your own business is in good shape, it might be the perfect time to acquire a struggling rival, grab their customers and build your market share on the cheap.
10. **Steering Committee**: Start looking ahead right now, planning for future growth so you can hit the ground running when the economy turns again.

Tips provided by Smart Company.