

CARTER



News July 2010

Moving Out & Moving Forward

It's now official. The State Government says we should be planning to vacate our Ringwood offices by 28 February 2011.

That gives us eight months to pack up and leave our position by the station entrance which we have occupied since 1927. It gives us eight months to undertake the fit-out of our new premises at 90 Maroondah Highway, Ringwood which we purchased last year in anticipation of this eventuality.

Planning is now underway in earnest on how to best fit out the new premises to suit our needs, both for now and for the next 20 or so years. It is an interesting, painstaking, expensive and rewarding exercise. It causes us to reflect on how we service our clients, both now and into the future. How will real estate be transacted in the next decades? How will new and emerging technologies affect us?

Our move is forcing us to face our future. It is an exciting situation to be in.

What Importance "Location"?

The famous real estate catch-cry is "Location, Location, Location" and for years we have had the best location in Ringwood – a visible highway site on the direct path between Eastland and the station.

Our new location is less prominent and less central. It will attract less casual walk-in and passing traffic. We must therefore re-assess our reliance on location and reinforce our use of technology and other processes to bring our marketing to the market. Our move will change the way we do business. We cannot simply wait for it to walk in the door. We must adapt. Is it a threat? I would rather see it as a tremendous opportunity – provided we get it right!

The Works Around the Station

Our imminent departure is to facilitate new bus and pedestrian movement around Ringwood station.

Current plans have buses entering from Wantirna Road between the Clock Tower and the railway and then exiting on to Maroondah Highway near Warrandyte Road. A pedestrian friendly plaza would extend between the station and the highway.



The big "BUT" is what happens to all the taxis, commuter parking, disabled parking and "kiss and ride" facilities around the station, which presently utilizes around 57 spaces. The "best-minds-in-a-generation" have a solution: a total of nine spaces, facing west, right on Maroondah Highway, will meet all those needs.

Obviously the boffins have not been at the station from 5.00pm to 6.00pm on any weekday to see the glorious chaos and congestion which features nightly. Chronic safety, congestion and inconvenience concerns are obvious. Where does government dream up their bright ideas? I often wonder. It's certainly not by consulting the locals.

Nothing demonstrates the changing mood of the market better than three auctions we conducted in Happy Valley Court, Rowville in the past three months.

No. 10 and No. 12 Happy Valley Court were auctioned on 13 March 2010. A crowd of 120 saw five bidders take the price of a modest four bedroom home— rented since the day it was built in 1990— to a highly unexpected \$540,000. The adjoining vacant block also saw strong competition from five bidders and a record price of \$442,500.

Fast forward to 26 June 2010 when a far superior home only two doors away attracted a curious crowd of 40 with only one bidder making a solitary bid before being passed in. A sale soon eventuated to that bidder at a respectable \$585,000, but with the buyers having no sense of just how good a buy they just had.

So the moral of the story? The mood of the market has changed. Whilst properties with development potential are still keenly sought after, as our recent auctions at Tooronga Road, Ringwood East and Talofa Avenue, Ringwood East attest, others are off the boil. They still sell; but with less intensity and less emotion.

It is as I foreshadowed in last month’s Carter News. It is worth reading it again.

End of Financial Year

It is that time of year again, when our landlord clients will shortly be receiving their annual financial statements.

We can also track our market over the last three financial years. Preliminary figures indicate the median price of all our sales in 2009/10 was \$490,000, an increase of 19% over the \$412,000 figure for 2008/09 which in turn was an increase of 8% over the \$380,000 figure for 2007/08.

Even if the market eases in the next six months, Ringwood property certainly withstood the ravages of the Global Financial Crisis – with a vengeance!

Two 10th Anniversaries

1 July 2010 sees two 10 year anniversaries.

The first is the introduction of the GST (which, in political circles still seems to be “the tax that dares not speak its name” Nobody loves it but all governments love the revenue it brings in). The GST as it affects property is terribly complicated and, in my view, adds to the problem of housing affordability. But it is not about to go away.



William Lyall

The second is more pleasing. It is the tenth anniversary of William Lyall becoming a Director of Carter Real Estate. William is coming up to his twentieth year with Carter Real Estate and continues to play an invaluable role as Director of Sales. Thanks, William!

Of course, William and I were joined by Neil Rhodes as Director of Property Management in 2007. Neil directs the property management and administrative functions so crucial to a broad and well balanced business.



Neil Rhodes

Three heads are better than one, and these three heads – an “ageing baby boomer”(!) and two Gen X’ers – are having fun charting our course for the next twenty years and beyond. It’s pleasing to realize that a firm with such a proud history has got such a bright future.



Richard Carter

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