

Press Clipping

The Sydney Morning Herald – 24 May, 2010

COMMERCIAL

# Rays of hope in market as charity begins with homeless

Real estate investment trusts have raised more than \$15 billion in the past 18 months, but the small to medium end of the market remains under pressure to garner cash from banks or private savings.

This dichotomy in the sector indicates that the big players will continue to rule the roost, leaving the rest to struggle. That is until banks and financiers thaw out their lending practices.

Agents complain that while they have assets for sale, finding buyers is proving more difficult. Either investors do not have the cash or they cannot raise the funds or the asking prices do not stack up.

If borrowing costs are at close to



7 per cent, buying a site with the same yield does not make the deal very attractive.

The global financial crisis has also not helped with land values which were high before late 2007 and are now at least 25 per cent lower.

That has eased the burden for some buyers, but vendors are feeling the pain. Many have stepped out of the market, which has made

supply of good-quality sites tight. For those who have the cash, purchase options are aplenty, while for vendors the sale prices are often lower than they may have wished.

Last week the Property Industry Foundation hosted its inaugural charity auction in association with big city-based real estate firms, raising about \$10,000 for homeless children. Competitiveness was set aside and agents donated part or all of the auction registration fee generated from the sales.

The usually combative agents teamed together to get the best price for the assets and hence children who are in dire need.

In total, 22 properties were auctioned, with CB Richard Ellis

listing 17 properties, Jones Lang LaSalle with four and Cushman & Wakefield listing one.

Colliers will donate cash when it holds an auction of 16 properties on June 9.

According to the foundation, a mix of CBD and inner-city offices and retail spaces were included in the auction.

One of the properties that stood out, defying market conditions at present, was at 523 George Street, Windsor, which sold for \$612,000.

A 62 sq m retail strip comprising three shops and a childcare centre at 46 Kookaburra Road, Prestons, fetched \$930,000 and set hearts racing that the market was turning for the better.

Jones Lang LaSalle's NSW managing director, Michael Fenton, said the price was considerably higher than the reserve and an outstanding result in the market conditions.

But he added a word of caution, saying that the relatively high number of properties that were being passed in at auction at present demonstrated that sales are taking longer to complete.

Another participant in the charity auction, Scott Gray-Spencer from CB Richard Ellis, said auction activity in the market at present indicated that the increasing interest rates were having an effect on price expectations and market perceptions.

**Press Clipping**

The Weekend Sydney Morning Herald – 22-23 May, 2010

---

**\$10,000 charity boost**

The Property Industry Foundation (PIF) hosted an inaugural charity auction during the week, in association with real estate agencies – raising \$10,000 for children in need. Auction fee donations were made by CB Richard Ellis, Jones Lang La Salle and Cushman & Wakefield, with three properties sold on the day and the others under negotiation. Colliers International is also taking part in the fund-raising events and will hold an auction on June 9 with an expected portfolio of 16 properties around NSW. The chief executive of PIF, Rosemary Smithson, said a total of 22 properties were auctioned at the recent event, with CB Richard Ellis listing 17, Jones Lang La Salle four and Cushman & Wakefield one.