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## PROPERTY BUYERS

> WHAT ARE THEY REALLY LOOKING FOR?

01. INVESTMENT REGULATIONS.  
WHAT YOU NEED TO KNOW

02. WHERE NEXT FOR STUDENT  
HOUSING INVESTMENT

03. REPUTATION RESTORATION:  
DEALING WITH PR DISASTERS



Words | Christopher Nye

# Selling property to the Australians



» It's a small market, but motivated and wealthy. But how do you reach them?

Australian being so far out on a limb (three hours even to New Zealand, 15 from Sydney to LA and 20 hours to Western Europe) is both blessing and curse for anyone hoping to sell overseas property to Australians. Only a small percentage may be interested, but they are motivated, determined and wealthy. Moreover, it being such a niche market, there are only a limited number of ways to reach them.

Agents and developers who have marketed themselves to Australians report great interest. One reason is clear: as a country that avoided the worst of the global recession (though it was certainly affected) and with high house prices, they have the equity to buy but are put off their own market by high prices.

There are three main market segments:

#### A place in the "old" country:

Australia is a nation of newcomers. A quarter of the current population was born outside Australia and another fifth have one or more parent born elsewhere. So almost half of all Australians have close personal ties to other countries. Half claim GB and Irish ancestry, 4.5% each claim Italian, German and Chinese ancestry. Add 2% each for Indian, Greek and Dutch. There are also sizeable populations that originate in the former Yugoslavia.

**Returning expats:** As a major destination for expats, there is inevitably constant return traffic for those who become homesick. In 2011 a record 7,000 returned to the UK alone. Often those buyers want to return nearer to Mum, but

not necessarily to their country of birth. France is a popular choice for Australian house hunters.

**Investors:** While the world busted and Australia boomed (22 years without recession), many cash-rich Ozzies invested abroad, with the US being a popular choice. However for many, buy-to-let investments in US cities like Detroit turned sour. The press had a field day when one desperate Australian was shot dead attempting to collect his rent-money in Detroit. See the campaign against the US business by former Brit Neil Jenman ([www.jenman.com.au](http://www.jenman.com.au)).

#### WEBSITES

Australia has several good domestic property portals, the most visited being [realestate.com.au](http://realestate.com.au) with 68% of TToS (total time on site), then a



long way behind, domain.com.au with 18%.

With the lack of indigenous Australian websites covering the global market (see box below), most Australians use English language portals such as [www.aplaceinthesun.com](http://www.aplaceinthesun.com) or RightMoveOverseas, who have some 22,000 enquiries from Australian IP addresses each

This first venture into the Outback was the result of a surge in Australian interest

month. Indeed, type "Properties in Thailand" into an Australian search engine and you get 90% the same results as from a UK one.

Australians also go for websites covering particular foreign markets, particularly the English language ones. They constitute a substantial proportion of the traffic to many such websites, says Tim Swannie, Director of Home Hunts ([www.home-hunts.com](http://www.home-hunts.com)): "Interest from Australian buyers has definitely increased in the past couple of years not just for France but for London and New York too. Our website is being visited by approximately 5,500 clients from Australia each month – fourth in terms of traffic though quite a large margin behind clients based in France, the UK and US.

We have sold numerous properties to Australian clients over the years, several on the French Riviera as well as Provence, Paris and the Dordogne."

## EXHIBITIONS

**Home Buyer & Property Investor Show** – Sydney, Melbourne, Perth. [www.homebuyershow.com.au/](http://www.homebuyershow.com.au/)

**Trading and investing Expo:** Sydney, Melbourne and Perth. [www.tradingandinvestingexpo.com.au](http://www.tradingandinvestingexpo.com.au)

**Grand Designs:** Melbourne and Sydney in mid-late October. [www.granddesignslive.com.au](http://www.granddesignslive.com.au)

Knight Knox attended their first ever Home Buyer and International Property Investor Show in Sydney this July selling UK investment and student developments. They said: "This first venture into the outback was made as a result of a surge in interest from Australian investors in the UK property market.... our Exhibitions Team received a high level of serious enquiries... over 89 enquires over the three days and also conversed with agents who could allow us to expand our Agents Network into the outback."

## PRINTED MEDIA

**Magazines:** although there are no Australian overseas property magazines, producers of other global brands report downloads and print subscriptions in Australia.

However there are plenty of property investment magazines which include items on overseas property investment.

Australian Property Investor: which claims to be the biggest selling property magazine with an audited circulation of 28,000

(27% higher than last year, if that is an indication of interest in property investment). Also Your Investment Property, which includes international investment, and Smart Property Investment. All have websites.

## Newspapers:

Overseas property items often appear in The Australian, and the Sydney Morning Herald has a property supplement, *Domain*, on Saturdays, which also appears in The Brisbane Times, WA Today, The Age and Canberra Times.

The Herald Sun in Victoria has a property supplement, *Home*, on Saturdays.

## TELEVISION

There are advertising opportunities on all the commercial Australian channels, whose schedules are as full of property porn and makeover shows as any other country. The only dedicated overseas property show is the British A Place in the Sun, shown on Foxtel's Lifestyle Home Channel. ■

## Agent comment:

Anthony Pivosky from [MyOverseasProperty.com.au](http://MyOverseasProperty.com.au)

**MyOverseasProperty is a rarity, an Australia-based property website with homes in every continent.**

There are a few companies specialising in US property but as far as we know we are the only ones with a global focus.

### Are many Australians looking to buy abroad right now?

» Yes. Australian property is one of the most expensive in the world so people are wondering if prices will continue to go up. The property crash in United States has also had a big effect. Many believe that this presents a once-in-a-lifetime buying opportunity.

### What sort of buyers are they?

» Mostly cash buyers, from all over the country, releasing equity from their Australian properties. Australian banks generally will not lend for overseas purchases.

### What sort of commission do you charge?

» It varies, but usually 3-10%.

### Where are most of your clients looking to buy?

» United States by far. Due to the property crash they had over there, and because of the same language and relatively similar culture, laws etc.

### Anything else you think our readers ought to know?

» A lot of Australians are asset rich but cash-flow poor. Therefore they look for income producing investments.