



## NOVEMBER NEWSLETTER

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### **2010 Estate Research indicates competitive market**

Results of independent market research conducted by SMR in April 2010 across 17 estates and 11,500 households have shown property buyers are motivated by presentation firstly and then budget, when seeking to make a purchase.

Buyers are also looking further afield with 53% of respondents indicating they looked at established houses in established suburbs and 47% looked at vacant lots in new estates, when seeking to make their current property purchase. Only 22% actually purchased in their estate, without looking anywhere else.

SMR CEO Samantha Reece said there had also been a significant decline in developer loyalty since 2009.

“Last year some 56% of respondents indicated they would buy from their same developer while in 2010 this rated at just 27%,” Ms Reece said.

“When respondents were asked which one developer they would prefer to buy from, only Satterley rated highly with 23% with another 42% of respondents unsure.

“Interestingly over 91% of respondents drove through the estates, with a further 65% visiting display homes as part of their decision making process. In addition residents primarily knew about the estate by driving past it (48%) while 19% acted on press advertising.

“Overall we are looking at a very discerning buyer group which is seeking the best mix of amenities and price competitiveness.”

The research also indicated that 50% of respondents were seeking shops in their estates, while 47% wanted cafes and 33% medical services. The research also demonstrated that while residents rated their developers highly for being close to schools and shops and overall presentation, this was not the case for other attributes.

“Overall residents only rated their developers at 69% for return on investment, 60% for environmental initiatives and 46% for facilities within the estate,” Ms Reece said.

“As such we are seeing an emergence of buyers who have extremely high expectations and this will continue to drive developers to seek a competitive edge when planning for new and current estates.”

The 2010 estate research was funded by a property syndicate including Port Bouvard Ltd, Cedar Woods, Tamala Park, Trendale, Lester Group and Satterley Property Group.

SMR will be expanding the research programme into the apartment sector in 2011. For more information about the research programmes contact Samantha Reece on 9429 8804.