



UDIA State Conference Market Acceptance of Change

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Ideas to be Explored



- > What's changed in today's property market
- > What drives today's home buyers
- > How to maximise market acceptance



What's changed in today's market



- > The property market has changed considerably over the past 20 years
- > Median Australian home value
 - 1990 - \$108,000
 - 2010 - \$425,000
- > Median Australian home size
 - 1990 – 160m²
 - 2010 – 230m²
- > Median Australian land size
 - 1990 – 800m²
 - 2010 – 520m²



What drives today's home buyers?



Today's home buyers are Savvy!

- > They know what they want
- > What they should be paying
- > When they want it
- > How they want to be 'sold' or 'not sold' to

If you don't satisfy their needs and wants they will find a competitor that will...

Your window of opportunity to convert a buyer is much smaller than it use to be...why?

Why smaller window of opportunity?



- > Internet
- > We have become a 'now' society
- > Time poor
- > Self-educated buyers
- > And increased market segments...



Meet your market segments

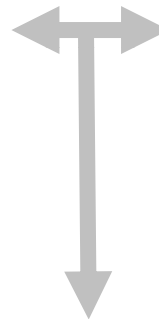


Understand your market

- Research your market – know what makes them tick
- Demographic, geographic and psychographic profiles
- Aspirations
- Hearts and minds
- Key drivers for purchase decision

Respond to the market

- Develop the right product solutions
- Consider the delivery methods
- Identify value adds to gain market traction



Meet the market opportunity

Increased conversion and trading performance

Key market segments



Generation Y



“Why can’t I have it all now?”

- > Buy now – have now
- > Ease of purchase
- > They are confident but appreciate their hand held
- > Driven by status amongst their friends
- > Life is for living not maintaining
- > Property purchases viewed as ‘stepping stones’
- > Seek street cred and wow factor!!

WHAT ARE THEY BUYING?

- > Apartments – near city locations
- > New – FHOG
- > Attached product solutions
- > Entry level options in MPC’s



Generation X



“It’s all about the family...”

- > Purchase decisions are aligned to their change in lifestyle
- > Kids are king when determining location
- > Consider this their opportunity to get it right
- > Seeking ‘bigger’ for a growing family
- > Perceived larger block preference – backyard for children
- > Flexible spaces to adapt as the family formation changes

WHAT ARE THEY BUYING?

- > Land & building
- > Locations
- > Large brand new homes



Baby Boomers

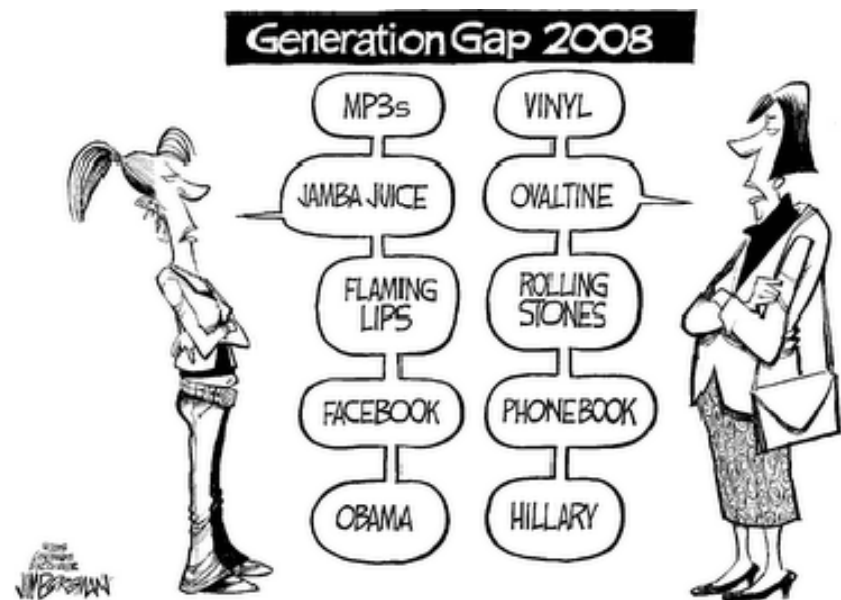


“Downsizers not Downgraders / Lock up & Leave”

- > It’s their time now! Have more time on their hands
- > Will not compromise now
- > Smaller doesn’t mean cheaper
- > Value quality and good design
- > Flexibility in products
- > Most responsive to ESD initiatives

WHAT ARE THEY BUYING?

- > Apartments – Inner City /Coastal
- > Townhomes & Terraces
- > High end alternatives



Investors

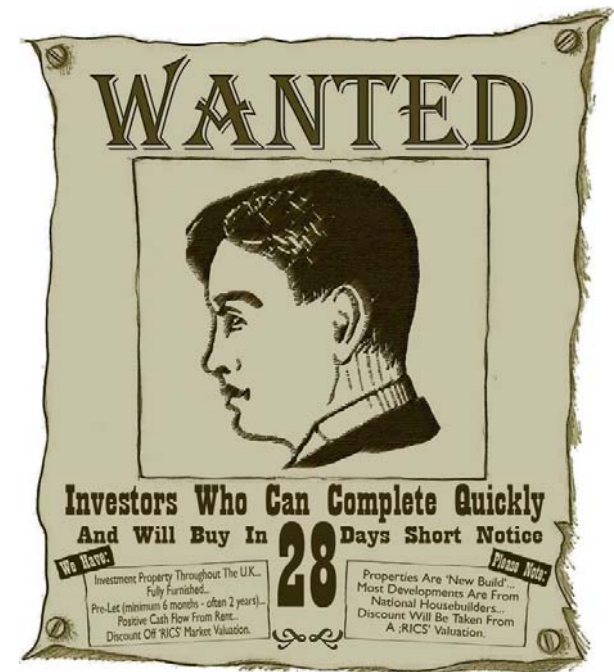


“It’s black and white...”

- > Have different drivers to owner occupiers
- > Want the jump on the public release
- > Seek low maintenance product options
- > Make the message simple and fact based

WHAT ARE THEY BUYING?

- > In growth areas or inner city
- > New



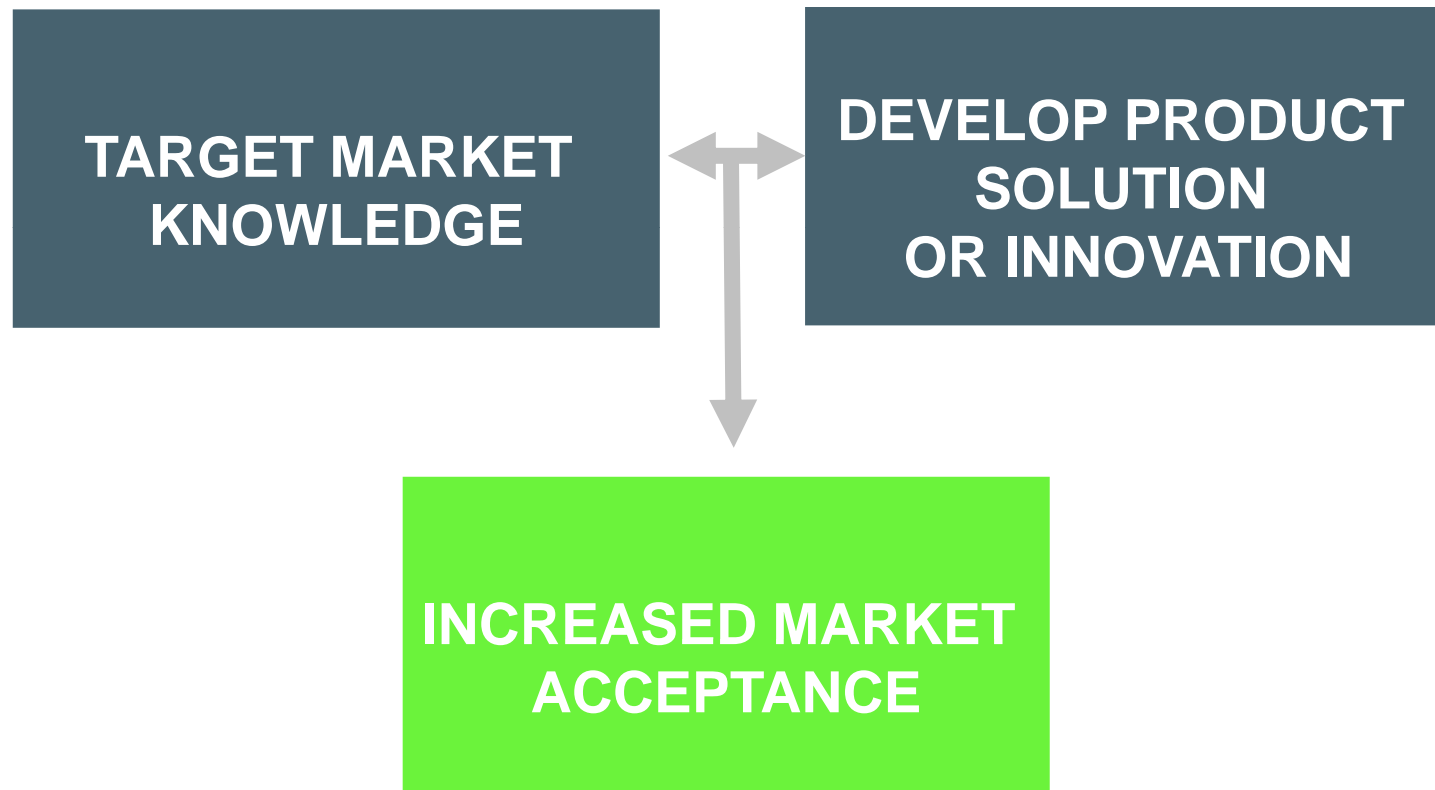
Explore other niche market opportunities



- > Single person households
- > Multi-generational households
- > Democratic Doubles
- > Watch out for the Generation Z



Maximising market acceptance



Maximising market acceptance of new products



- > Integrated product solutions
- > Market specific product solutions
- > Ease of purchase process
- > Partner with supplementary services



Integrated Products



What are Integrated Product Solutions?

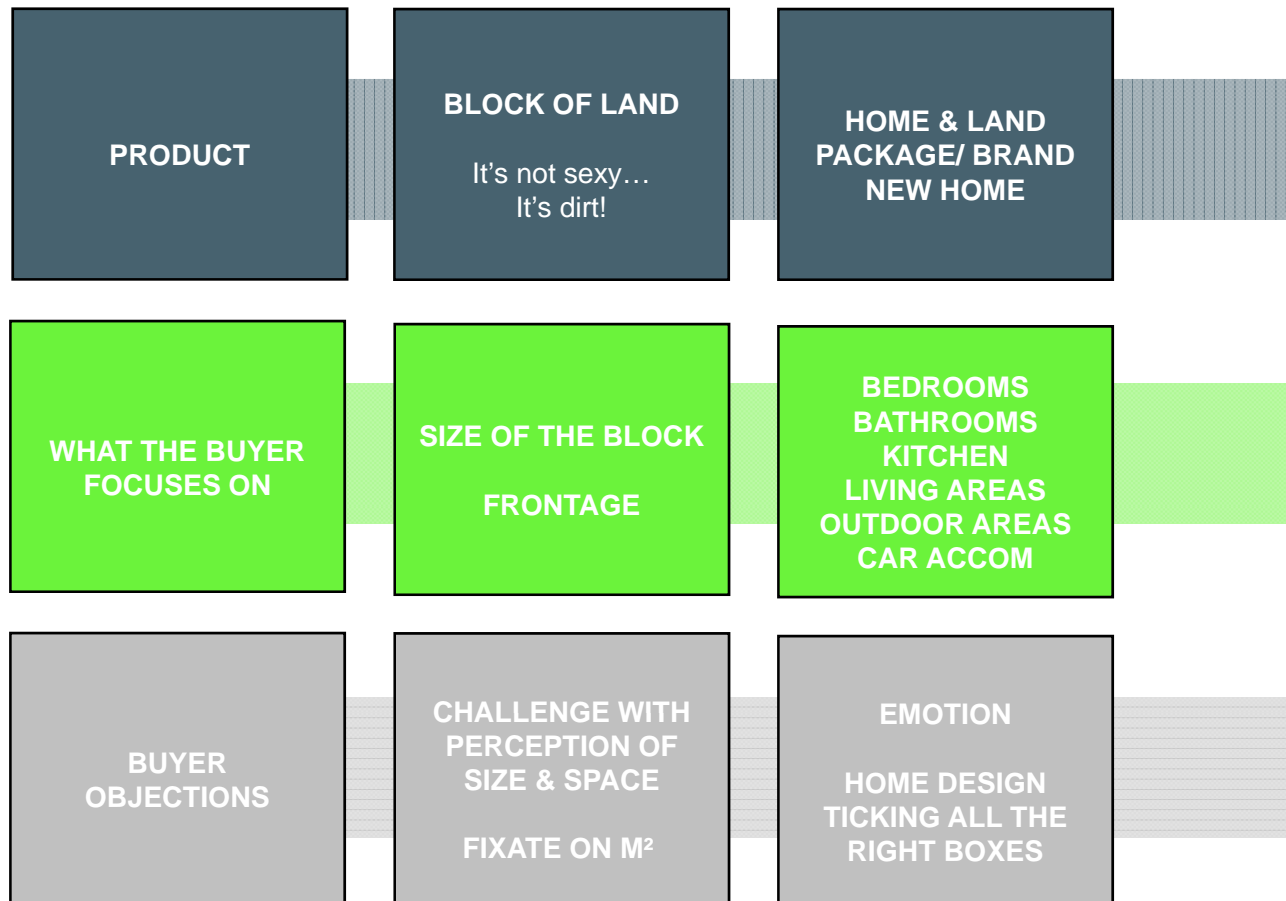
- > Diversification from core product offering
- > Partnerships between builders and developers
- > Responding to key market drivers more overtly

Benefits

- > Provides platform to broaden market reach through product diversification
- > Opportunity to deliver a more robust product mix
- > Potential to increase trading performance of project



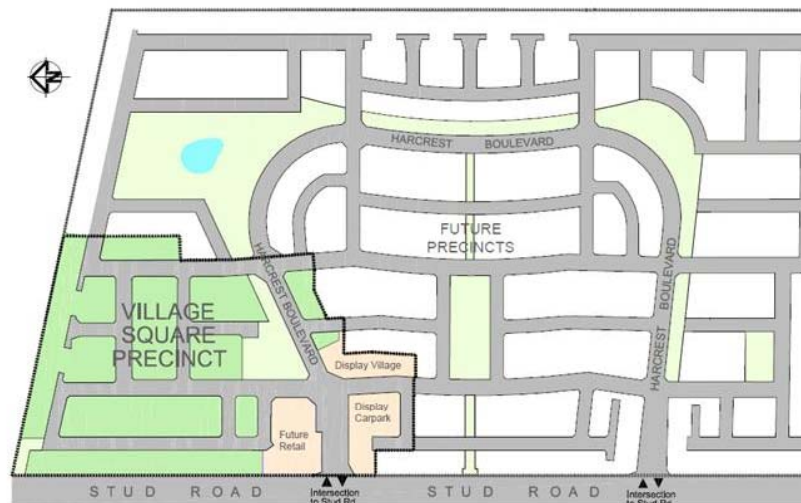
How to change market perception through Integrated Products



Harcrest, Victoria



- > 56 hectare site, 20km east of Melbourne CBD
- > 850 homes on completion
- > 65% land or builder home & land packages
- > 35% Mirvac Homes
- > Launches next week with 75 land/home & land & 14 Mirvac Homes



Harcrest, Victoria



Harcrest VILLAGE SQUARE



Please note that this is a guide only and was prepared prior to completion. The information contained herein is believed to be correct but is not guaranteed. Dimensions are approximate and measure calculated in accordance with the Property Council of Australia method of Measurement. Changes will undoubtedly be made during the development and construction phase. All figures of blocks and site features are subject to change and will not be considered until the production of the contract of sale.

Mirvac Homes, Harcrest, Victoria



Gainsborough Greens, SEQ



- > 490 hectare site, 35 minutes south of Brisbane
- > 2,300 homes on completion
- > Stage 1 launched in Spring 2010 – 119 land/home & land & 7 Mirvac homes



Market Specific Product Solutions



What are market specific product solutions?

- > Product solutions for niche market opportunities identified
- > Line extensions to existing product line up
- > Options, upgrades or personalisation of product
- > Sustainability innovations
- > The Affordability Challenge

Benefits

- > Capacity to capture secondary or niche markets
- > Opportunity to offer personalised products to discerning buyers
- > Deliver a strong competitive advantage within the marketplace
- > Potential to increase trading performance of project



Portrush Green, Western Australia



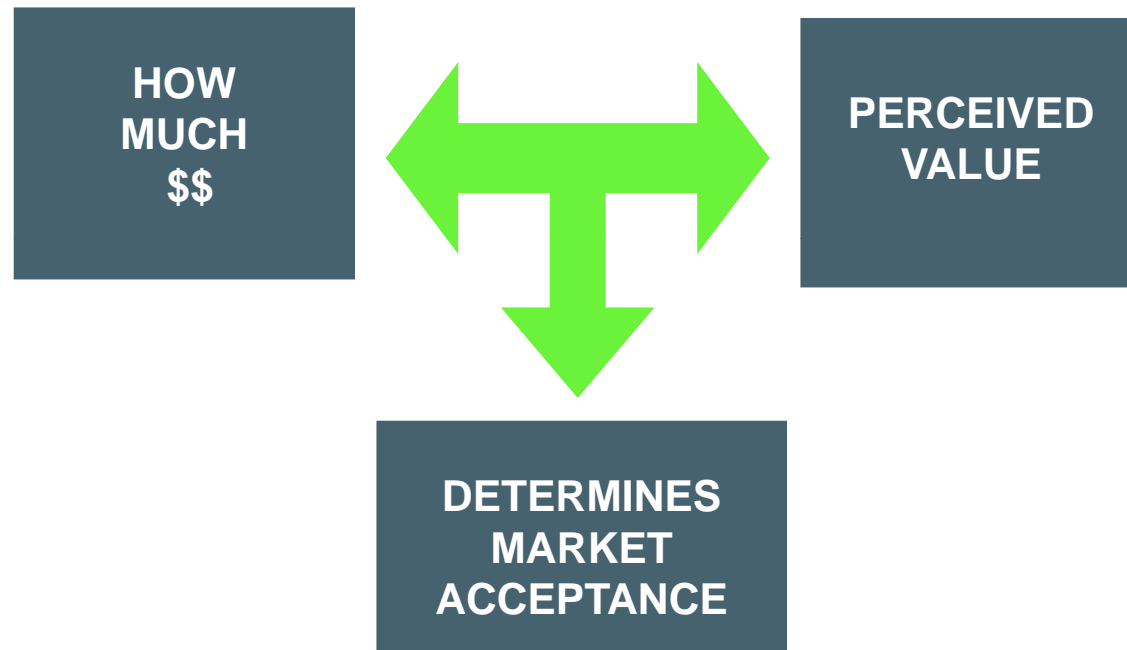
Portrush Green, Western Australia



- > 70 completed Mirvac homes
- > Mix of courtyard and terrace homes
- > Ranging from 2+study to 4 bedroom options on avg 400m² block
- > Choice of floor plans and colour schemes
- > Launched in 2007 and 30 sold off the plan



Sustainability Innovation



The Eco Collection, Swanbourne, WA



- > Collection of 7 Eco Courtyard & Terrace Homes
- > Average home size 270m² and land size 295m²
- > Achieved 6 star rating
- > Empty Nester - downsizer not downgrader market



Harmony 9, Waverley Park, Victoria



- > 9.2 star sustainable prototype home
- > Industry leading innovation to test and trial new ideas and technologies
- > Take key learnings and make relevant and attainable for market segments



Ease of Purchase

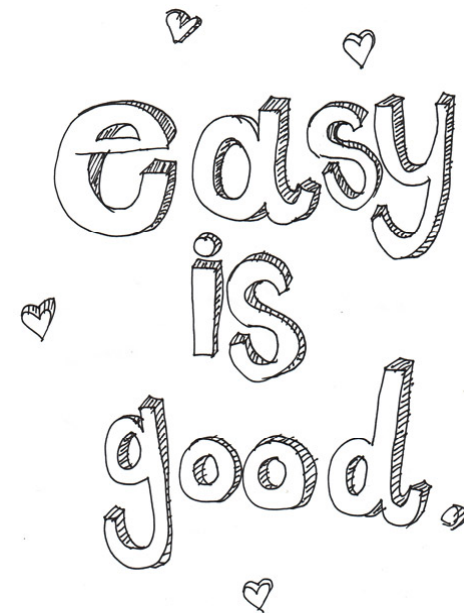


How do you create ease of purchase?

- > Make the purchase process simple
- > Relate the process to the target market
- > Provide your customer with the right tools and information

Benefits

- > Capacity to convert customer is increased
- > Create brand advocates



Land Lineup, Harcrest, Victoria

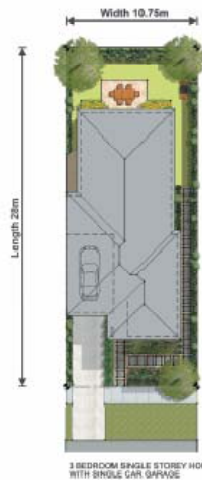


Courtyard Blocks

Maximising leisure time

Ideal for first home buyers and people looking to downsize or maximise their leisure time. The Courtyard Blocks allow for indoor and outdoor living.

- Approximately 300sqm
- Average lot dimensions: 10.75m x 28m



Smart Blocks

Low maintenance lifestyle

The Smart Blocks are suitable for singles, couples or families looking for a low maintenance lifestyle. It has all the room for a contemporary home with practical outdoor entertaining areas.

- Approximately 350sqm
- Average lot dimensions: 12.5m x 28m



Lifestyle Blocks

Space in which to grow

Lifestyle Blocks are ideal for couples or families looking for a spacious home and outdoor area in which to grow.

- Approximately 390sqm
- Average lot dimensions: 14m x 28m



Premium Blocks

Added space and flexibility

The Premium Blocks are perfect for families looking for added space and flexibility. Ideal for single or double storey homes with room for a backyard and pool.

- Approximately 450sqm
- Average lot dimensions: 16m x 28m



Harcrest



Partner with Supplementary Services



Facilitates making the purchase process easy!

What are Supplementary Services?

- > Builders and designers
- > Financiers
- > Interior Designers

Benefits

- > Deliver a one stop shop solution
- > Build rapport and trust with customer



The Affordability Challenge



PRODUCT TRENDS MEETING THE AFFORDABILITY CHALLENGE

Smaller lot sizes – sub 400m² with product specific covenants

Spec Home Options

- > Provides fixed price and delivery timeframes
- > Assists with financing – no draw down payments
- > Takes away the uncertainty and confusion

Small Scale Strata Title Products

- > A low cost community title scheme
- > Purchase price lower due to yield efficiencies
- > Lower land and construction costs



Wrap Up



How to maximise market acceptance of new products

1. Understand the fundamentals of the market
2. Identify your target market and what drives their purchase decisions
3. Develop a product solution or delivery method that responds to the hearts & minds of your target market
4. And sell sell sell...



Questions ?





Thank You