



people in property  
recruitment group

# people in property news

## An Economic Tsunami Or Just A Big Swell?

*From The Desk of Julie Della, Managing Director*



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### Little Tsunami Tremors (LTT's)

It's amazing how so many of us have had the same thoughts recently, "hindsight is a wonderful thing"! We wonder why nobody saw this economic tsunami hurtling our way at a gazillion miles an hour ... why didn't we see it approaching us? The signs were there — the warning bells were ringing, if not in our ears at first, they certainly could be heard if you listened closely! Did we commit the most dangerous act when swimming at the beach — did we turn our back to the ocean and did we swim outside the red flags?

To quote an old forgotten friend "Were Our Eyes Painted On"?

It appears that if anyone wants to research how and when this all started, information is abundant. "Google" is full of information and with a few key words I quickly found this report.

Heather Stuart, The Guardian, 10th April 2008  
[www.theguardian.com.uk](http://www.theguardian.com.uk)

*"The US mortgage crisis has spiraled into "the largest financial shock since the Great Depression" and there is a one-in-four chance that it will cause a full-blown global recession, the International Monetary Fund warned yesterday."*

That was reported on the 10th April 2008! Now, I am by no means an economist, and when my two oldest children asked me why has the economy gone so bad... I really had to think about it, how does the average family explain to their children who are all Gen Y's and up and coming Gen X's (I have to wonder what Gen X's offspring will be called, will they be Gen A's?) — how do we understand in laymen's terms "what went wrong"?

So, here is my take on the "Economic Tsunami" and best wishes in preparing your 2009/2010 Budgets!

Reference Material: [www.flgov.com](http://www.flgov.com)

### Where Was Australia 3 Years Ago?

Throughout 2006 and early 2007 it was "smooth sailing"

There was plenty of cash and liquidity and the banks couldn't get rid of their money fast enough in the form of loans to investors (e.g. mums, dads, hedge funds, businesses etc.) The stock market was fantastic and investors couldn't help but borrow and buy, borrow and buy because it was so cheap and easy to be in "debt". To many, debt was their friend.



### Where Are We Today?

April 2009 - There is no cash around and liquidity is down to a dribble. Many lenders have exited the business and remaining Lending Institutions have tightened their underwriting policies. The lending facilities/banks are too scared to give each other any money – they are unaware of what each other's "financial" exposure may be in the market.

Banks have cut rates to increase liquidity and facilitate lending – but in a more tightly controlled environment.

Volatility and risk is perceived everywhere – e.g. danger to lend money when nobody is spending.

### Australia's Financial Concerns Today!

Credit generally – paper money v's cash!

Maintaining liquidity – cash flow!

Avoiding recession – having available cash flow supply or credit supply

### How Did Australia Get From There to Here?

One word or is it two? Sub-Prime!

In the US the institutions loaned alarming amounts of money to marginal borrowers/home owners at high current loan to value ratios (CLTV's). The borrowers had very little equity when first purchasing their home (if any at all) and when interest rates rose, their payments were beyond their ability to pay as people tried to sell their homes that they no longer could afford and were left with debt and no home which led to loss of jobs = credit crunch! The sub-prime crises is expected to surpass \$400 billion.

This has led to defaulting loans (35% of home owners are in default in the US), falling home prices, retrenchment of credit, fear and uncertainty which has had a snow ball effect of the financial markets and asset valuations. 27 out of the 50 states in the US allow people to "pop their keys in the post" back to the lender if they no longer can afford their mortgages with no short-fall to pay if your home sold for less than what you owe!

### The Bubble Bust!

Once the world snow ball started rolling, the market took off and rose out of sync with both reasonable expectations and trend lines – there was a rush to buy a 2 bedroom shack with an outside port-a-loo for \$750,000 and only 2.5 hours from the C.B.D. and 60 km's inland. For those home owners who had "overnight" equity in their once meager homes, it encouraged re-financing because we all needed the biggest flat screen that Mr Hoyts would love to

have in his "theatre room" and of course everyone needed a computer in their fridge to tell you to remember to buy milk. Others traded their Holden Commodore for a lovely BMW 318i or the BMW 318i owners traded up to a Porsche or Massaratti or Ferrari!

### Still Half Asleep!

The General Public first become aware of the "Sub-Prime" crises in late November 2007. The on-flow from the U.S. economy was the catapult for the rest of the world with many countries exposed to the U.S.'s financial crises it was only a matter of time before the rest of the world was "sucked" into the spiraling vortex! W.A. was the last "strike" as New Zealand and the U.K. had been in a downward spin since March 2008; it finally hit home in Perth in October 2008. LTT's (Little Tsunami Tremors) were in Perth as early as January 2008. PIP Group noticed a slight drop in available positions, however it did not seem to provide any noticeable difference in the candidate available pool. In late February 2008 we interviewed 5 Fund Managers in a two week period – unusual as we were not advertising for a Fund Managers position and also we had not seen a Fund Manager let alone a Fund Manager's C.V. for nearly two years! Another LTT? We were receiving more and more C.V.'s from candidates wanting to relocate to Australia from the UK – especially Ireland as many were unable to secure jobs and had heard about "all the jobs down under" – another LTT? By July 2008 we were receiving an un-precedent amount of applicants from Queensland and New South Wales – all willing to relocate to Perth at the drop of hat once they secured a job – another LTT? By October 2008 it hit us between the eyes and by January 2009 if anyone was in denial that our W.A. was in serious financial trouble, not only were "your eyes painted on" you obviously are a Tax Insolvency Specialist or a Doctor!

### A Light At The End of The Tunnel?

Yes! We believe so. We have had increased job opportunity enquiries from our Clients in March and April and in most instances positive comments from our clients in regards to their staffing requirements for the latter half of 2009 – it may be a weak glimmer of hope – but it is certainly is much brighter than January and February 2009 revealed. I believe it will be a slow end to the 2008/2009 financial *annus horribilis* and that we can look forward to a slow, but positive outcome for the latter half of 2009.

*"we speak your language"*



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## Are You Currently Advertising For New Staff?

### GREAT NEWS!

This is an exceptional time for ALL Employers to review their staffing head count.



Some businesses in this current economic climate are “opting” out of utilizing a Professional Recruitment Agency as they feel that there is an abundance of candidates waiting for employment, so why pay a Recruitment Agency a fee when they have so many candidates in the job market available — right? **WRONG!**

## The Perils & Pitfalls In A Candidate Fuelled Market!



You may find yourself overwhelmed by the amount of C.V.'s you receive or you may find yourself wondering if you mis-typed your Email Address as your “In Box” is empty? **WHY** is your “In Box” empty?

Not all sectors of the job market are abundant with people looking for work — some of the best people are not even looking — and you wouldn't know because they don't actively seek work via web sites and print media. Recruiting a short list of candidates, organizing interviews, reference checking and sending out rejection notifications is very time consuming and demanding on your time — especially when this is not your usual career — and it can seem daunting and overwhelming and sometimes a little depressing once the “novelty” wears off.

## Why Use A Recruitment Agency? Why You Should Choose People In Property Recruitment Group!

Our Career Development Managers have personally interviewed each candidate — we do this everyday as this is our career.

We have already pre-qualified our candidate to meet your job criteria, including experience, education and formal qualifications.

We have already pre-qualified our candidate to meet your salary expectations — no embarrassing hiccups at the last minute due to parties not fully understanding each others financial requirements.

We have already pre-qualified our candidates experience by undertaking reference validations from previous employers.

We have already pre-qualified a select number of candidates for your immediate perusal.

Each of our candidates will be fully briefed on your position, including salary expectations and full job description prior to releasing their details to you for consideration — no embarrassing “3rd party blunders”

We can organize to send C.V.'s to you today and arrange interviews tomorrow under **NO** obligation.

### OUR SPECIALIST DIVISIONS

- Residential Building Division
- Commercial Construction Division
- Corporate Property Division
- Residential & Strata Property Division
- Facilities Management Division
- Administration & Support Division
- Temporary & Contract Division

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# HOT JOBS

## Ref: 8469 - Administration Assistant

Busy Shopping Centre SOR, F/T Tues-Sat  
Salary Circa \$40k + super

## Ref: 8454 - Office Assistant/Outside Clerk

SOR, F/T Mon-Fri  
Settlement experience preferred

## Ref: 8474 - Property Administrator

12month Contract, F/T or P/T  
CBD, Commerical Property  
Salary \$45K - \$50K + super

## Ref: 8481 - Building Supervisor

Overseeing a portfolio of commercial properties in CBD, West Perth & Subiaco. Trade background essential.

## Ref: 8482 - Drafty

Must be proficient in ArchiCAD and have at least 18 months drafting experience. Candidates with a strong interest in energy efficiency are encouraged to apply.

## Ref: 8486 - Contract Administrator

4-6 months contract based in Fremantle. Prefer marine construction background or commercial construction.

## Ref: 8487 - Property Manager

Western Suburbs Agency  
Min 2yrs exp, REST knowledge  
Salary negotiable on experience

## Ref: 8424 - Senior Property Manager

East Perth Agency  
Min 5yrs exp, REST knowledge  
Salary negotiable on experience

## Ref: 8489 - Senior Property Manager

Broome location  
Min 2yrs exp, Gee Dee knowledge  
Salary negotiable on experience

Online Recruitment

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## Jeanette Bates Memorial

Family and friends gathered to commemorate the one year passing of Jeanette on the 16th April 2008.

“Old” work colleagues included Anne Zanolli, Rose Dean, Pauline Williams and Julie Della.

TOP PHOTO

L-R Julie Della, Anne Zanolli, Eric Bates, “Aunty” Pauline Williams and Rose “Lady” Dean.

level 1, suite 3, 174 roe street, perth  
reception@peopleinproperty.com.au  
tel: +61 8 9328 9755

po box 198, north perth, wa, 6906  
www.peopleinproperty.com.au  
fax: +61 8 9328 9766

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