

Engel & Völkers Southern Africa`s growth in sales

The growth in the property market has been relatively flat over the past few years, only showing signs of an increase in the last couple of months. With the subdued real estate market being so competitive, only a few agencies have managed to increase their turnover.

Estate agencies in a competitive environment such as now, must always look at new methods to increase their market share.

One agency that has seen a dramatic increase in growth over the past three years is Engel & Völkers. In the first quarter of this year they have produced an increase of 12.7 % globally to around R716 million of commission earned. This represents the best first quarter ever achieved by the group in its entire history spanning more than 35 years. Their residential property shops operating in the international markets outside of Europe showed particularly strong growth, increasing their commission revenues by 14.9 % to R230 million.

Engel & Völkers Hamburg confirmed that they are expecting a strong and continued growth rate over the remainder of 2013. They will also maintain their aggressive expansion plans during this current financial year and will continue the opening of their new metropolitan marketing centre concept and back this up with plenty of property lounges in strategically important cities across the world.

This substantial growth in sales has spilled over to South Africa as well. The Engel & Völkers group in Southern Africa also experienced fantastic growth over the past three years. This is a considerable feat considering the slow property market in South Africa and particularly so with the local banks applying stringent lending criteria.

During the 2011/2012 financial year the sales turnover of Engel & Völkers SA has grown by 30 % and during the last financial year of 2012/2013 have managed to increase their sales turnover by another 21 %. This is a substantial increase in turnover and was particularly good news to the franchisees in the group.

According to Craig Hutchison, CEO of Engel & Völkers Southern Africa, this growth is due to a few factors namely expansion in key metropolitan areas and most importantly due to the unique marketing strategies that Engel & Völkers offers to their clients. "When a market becomes as competitive as the real estate market has, you need to offer something fresh and unique to the client in order to secure a mandate and confidence in your company. Our unique marketing methods along with our strong international brand values, gives property sales advisors a huge advantage when it comes to the marketing of a client's property", Craig added.

The Engel & Völkers brand now covers most of the prominent metropolitan areas across SA and we are still looking for opportunities to expand and place more property shops and lounges in key areas. Craig also noted that continuously expanding across the three main metropolitan areas will secure an increase in their sales and market share, because it is still much of a buyer's market currently and this fact has definitely attracted international investors, especially in the larger cities.

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