

# Big fish offer value

Nicole Lindsay

PROPERTY valuer Herron Todd White has opened a new office in Melbourne as part of its broader expansion plans.

The Queensland-based valuer has established a Melbourne office by buying up Preston Rowe Paterson which is located in Collins St.

Herron Todd White valuer Tony Kelly will run the Melbourne office.

The company last had a Melbourne office in 1999 when the local affiliate severed links and became property valuer and research house, Charter Keck Cramer.

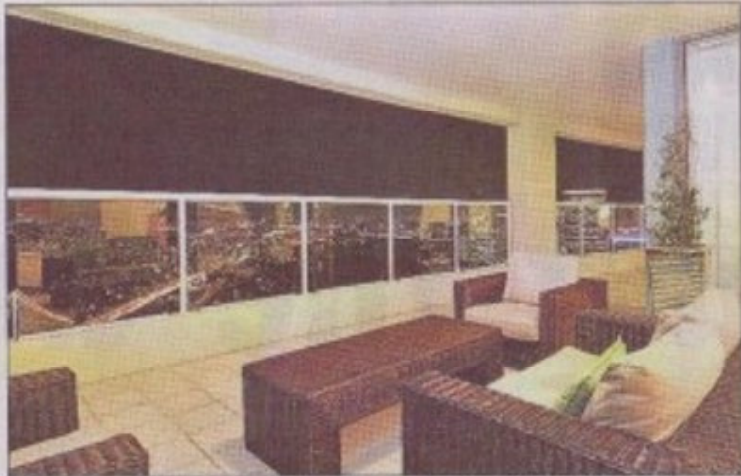
The Melbourne acquisition is Herron Todd White's 12th new office in the last two years.

The company, which focuses on residential valuations, has increased annual revenue by \$10 million in that time.

The valuation industry has been going through a period of consolidation with smaller businesses swallowed up by bigger rivals.

Herron Todd White chief Brendon Hulcombe said industry consolidation was driven by a pressing need to implement expensive new technologies.

"We predict we'll see continued



**High-rise hierarchy:** the property valuation industry is becoming almost exclusively the domain of the high fliers.

consolidation activity within the next few years resulting in only three or four super-firms operating in the Australian market," Mr Hulcombe said.

"The smaller firms will be really struggling to remain relevant," said Mr Hulcombe.

Potentially dangerous shifts in the real estate market have also contributed to the rise of the bigger valuation firms.

"Financiers and lenders' mortgage insurers are experiencing a larger number of mortgagee in possession properties, particularly in western

Sydney and some areas of Melbourne," he said.

"The pendulum now seems to be swinging towards larger valuation firms because they can exercise higher degrees of quality control and transparency," he said.

"Add to that increased in-field technology requirements coupled with reducing fee pressures by the banks and you have a business sector that needs to develop some smart, robust systems."

"Only the fittest will survive," he said.

The increasingly sophisticated two-tiered promotional schemes favoured by property marketeers had also made financiers more cautious about the quality and reputations of the valuation firms they use, he said.

"We're now embarking on retrospective valuations for a number of the major lenders so they can better ascertain their levels of exposure in certain areas.

"It's a massive undertaking and a prevalent market concern right now," said Mr Hulcombe.

Herron Todd White was established in 1988, has 40 offices, 400 employees and an annual turnover of \$45 million.