

INDUSTRY WATCH



Property Portals Pop Up Again

Property portals, one of the dot.com victims, are making a comeback. Can they be profitable this time?

By A J LEOW

Back in the late 1990s and early 2000, when the dot.com fever was raging in Singapore, various new property portals made their flamboyant entries into the market touting new features that will change the way properties, including new launches, are marketed.

But as fast as they sprouted, many soon disappeared without a trace as local consumers, being creatures of habit, continued to rely on the print media especially classified advertisements as their main source of information for property searches.

These days, most property portals tend to be operated by local agencies as a 'shop front' — just like most other businesses — except that they also add a search engine to help prospective home buyers look for properties that meet their criteria such as budget and location.

Notes Eugene Lim, assistant vice president of ERA Realty Network, "We have had this website since the 1990s. It is set up to showcase the properties that our agents are marketing. We

are not running it as a business but it is used to complement our business. Mainly, it is a lead generator for our agents."

Adds Mohd Ismail, the CEO of PropNex, Singapore's largest real estate agency with 7,000 agents and a website set up since 2002, "The young generation is getting more IT-savvy and the lifestyles of more people are now dependent on the Internet to search for information. These make portals viable. On average per month, the PropNex portal generates around 500 enquiries with a proportion of 80% becoming leads."

He points out that it would be tough for any new entrants getting into the property portal business in Singapore due to the small market size. "Any portal that starts up without the support of big industry players will not have good content and value-adds to make it viable," says Mohd.

But while portals like those run by PropNex and ERA Realty are basically agency-run operations, the online portal, iProperty.com has set its sights on becoming the market leader in the region through acquisitions, strategic alliances with realty networks and search engines such as Google, MSN and Yahoo!

Notes Patrick Grove, the executive chairman of Australia-listed iProperty.com, "We are currently the only online property portal that covers the region via our network of leading portals in Malaysia, Singapore, Hong Kong and the Philippines. We offer more property listings than anyone else in Asia. With over 750,000 unique users per month looking for property to buy or rent across our network, we are clearly a leader in the space."

While iProperty has built its portal, www.iProperty.com.my from scratch in Malaysia in 2004, it has since gone on an expansion binge, snapping up the leading online property portal in Hong Kong, www.GoHome.com.hk last December, following its listing on the Australian Stock Exchange in September 2007.

The GoHome network's websites power the Yahoo Hong Kong real estate channel and include GoHome.com.hk, House18.com and other related websites which together accounts for 45% of Hong Kong Internet users looking for property online each month, or nearly 600,000 unique visitors — more than four-and-a-half times better than the nearest competitor.

That acquisition followed a strategic tie-up with the Singapore Institute of Estate Agents (IEA) two months earlier in October 2007, which in one fell swoop made www.iProperty.com.sg the market leader in the Singapore online property space, with over 15,000 quality property listings and 200,000 archive listings.

Adds Jeff Foo, President of IEA whose members pay an annual fee of S\$360 for their listings, "The portal is a marketing tool that never sleeps. It's available 24/7 and allows our members to expand their market reach at affordable rates. Not only does it boost their productivity but also credibility, as IEA ensures that the properties listed on the portal are represented by professional real estate agents. All agents are required to post a photograph of themselves, thereby minimising the chances of consumers being duped by rogue agents."

With the IEA strategic alliance, iProperty also effectively entered into a share swap and hence access to an array of services offered by the Singapore firm, Info-Tools which until recently, was a B2B (business-to-business) rather than a B2C



Patrick Grove

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(business-to-consumers) set-up. It has been, for more than a decade, the leading provider for IEA of co-broking tools, historical data and property listing information, which is used by over 80% of the real estate agents and agencies.

Says Jacob Tay who founded Info-Tools back in 1992 before the Internet age in Singapore, "We complement the business generated by real estate agents via the traditional route, which is through classified ads."

"However, classified ads are not available to prospective home buyers or those seeking rental properties who are living in Kuala Lumpur, Beijing, Stockholm, or for that matter, even JB (Johor Baru). About 30% of the visitors on the iProperty portal are from overseas. The Internet has become the main source of information from foreigners who are or planning to relocate here, which according to government figures are about 10,000 a month."

Adds Tay, "And let's say if you are looking for a particular

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ERA portal site



PropNex portal site

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place in Singapore, like The Bayshore for example, you are going to get a very comprehensive list from different agencies and not just one real estate company. A lot of property websites tend to fall on the wayside due to the lack of listings or listings that are not updated."

Notes Grove, "With the booming Asian property market, more investors are looking to buy properties overseas. With our network of sites, investors in Hong Kong and Singapore can now easily access properties in Malaysia and vice versa with the click of a mouse."

The company's network of regional websites will all be unified under the the *iProperty.com* umbrella, which will serve to strengthen its brand identity and position it strongly to tap on growth opportunities as it continues to seek further strategic acquisitions of leading property portals throughout the region's markets such as Korea, Taiwan, India and the Middle East.

"The goal now is to consolidate our market leadership in each country and translate this into regional dominance. We want *iProperty.com* to be the first website people think of when they are looking for a one-stop online shop to research, buy or rent Asian properties," says Grove.

As for the prospect of modern-day portals suffering the fate of its predecessors during the dot.com era, Grove points out that



GoHome portal site

the property portal business is now a thriving one. For example, there's one in the UK which is generating some US\$20 million a year. And the Australian portal www.realestate.com.au has seen its share price increase some 25 times since its listing, while *iProperty's* Malaysia portal has seen average revenue increases of 200% each year since it was started.

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"You have to remember that in the late 1990s, the Internet was still in its infancy and search engines such as Goggle, Yahoo! and other forms of Web communication tools such as ICQ, instant messaging and so on, were not available. Not everyone was familiar or connected to the World Wide Web then," Grove says.

These days, it's possible for real estate portals not only to provide maps, information of schools, shopping malls, amenities, floor spaces but also a virtual walk-through of the living space. "That's not something that a three-line classified ad in black-and-white can provide," he adds. ■

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