

Acceptance Speech by Harry Triguboff AO

It is a great hour to be inducted into the Property Council Hall of Fame.

I am happy and proud for my family especially my wife Rhonda, my colleagues and all those who have worked to make Meriton such a wonderful place.

To have achieved what we did would seem impossible in 1963 when we started because Australia was small, and our company was minute.

Like many other entrepreneurs the important thing was to start correctly. The foundation had to be correct. If the beginning is wrong nothing will help. Also luck has a lot to do with it. But one must be around to get lucky breaks. Luck does not come to us. We have to be there working.

Meriton is probably the most exciting company one could imagine. When we started the rent control was only lifted. Rent control meant that the owner could not raise rents. The result was that there was a terrible shortage and people had to pay key money to the owner to get accommodation. Of course that could not last forever, and rent control was lifted just before we started to build. The demand was enormous and there was no supply. Houses were expensive, because land was expensive. There was no great premium paid for views, or for suburbs. People did not have much and would only pay little, because they could only afford little. Hence the success of apartments. Our main customers were the farmers who were leaving their land and the poms who were brought here with assisted passage.

In the beginning we built little blocks- 6 to 8 flats, later up to 12 flats and we sold them to investors who were selling their businesses to Pacific Dunlop.

We were so successful that others followed us, and the profits began to get smaller. So I decided that I would go to America to see how they did it. Here I saw big apartment blocks with swimming pools. I came back and built a huge block of 18 apartments in Gladesville in Meriton Street and called my company Meriton, and I stopped selling whole blocks to one investor. I started to sell individual units.

I always wanted to give the best value that people could afford and so we called it affordable luxury. I believe that we always built the best blocks that people could afford. Affordability is the key, if they can't afford them they will send you broke. This is what happened to the finance companies of the banks.

To have the greatest success one should try to concentrate on more than one part of the chain of production. One must do the lot if possible. So we selected the land ourselves, which we bought and owned. We built ourselves, we sold ourselves, we financed the purchasers ourselves if the banks did not want to lend money to people whom they considered to be a big risk. Actually we hardly ever had bad debts, because I think we gave good value and people could always sell without sustaining a loss. We never forced anyone to pay back when his loan was due, but if prices went up we would raise the interest rates because we are not a bank. We always leased the properties of our customers. In fact we do it not only because it gives us an income, but we always want our customers and their tenants to get the best service. And we want our old properties to retain their value.

Lately we began to sell for our buyers properties that we built. We try to get our old purchasers the best price possible, because we want Meriton properties to retain their value.

As properties began to rise in value a lot we decided to go into serviced apartments. I saw that in the Gold Coast, Sydney and Brisbane people needed proper accommodation for short term and have space. People did not know what serviced apartments were. And we also did not know much. But we learned quickly and we now have 13 buildings with approximately 4,000 apartments and we have over 2,000 rental apartments. The finished stock can always be converted into cash so we can seize opportunities when they occur because we have ready cash.

I have described to you my business. Now let me tell you something about people. One must never try too hard. You should always do things which are easy for you. Just because your parents and you think that it is good to be in some businesses and professions, it may not necessarily be for you. Choose your work which you like and chose work which will bring you a reasonable income. Don't go into dying industries. And work in companies, which have people that you like.

It is good to be in real estate in Australia because only we have an empty continent which we must fill, so there will always be a demand for housing.

You will always need banks. Tell them your story, your manager is the one who will present your case. Don't look at the bank as your enemy; remember without him you would not have started.

Work for as long as you can. Many people tell me how happy they are, because they don't work. Believe me there are 10 times more people who work and are happy. Your body wants you to work. If you give up work early you will deteriorate quicker.

The interest rates are low, so properties and shares have gone up. You will have when you are old greater assets than you ever imagined. But don't hang on to everything you have, because you don't know how long you will live and how will you be. You will be a lot better and healthier if you sell something or mortgage some it will give you money which you can spend on yourself. The balance of the assets will go up anyway.

Remember Australia is a great place. I say the best. We need every one of you. Strive to make it even a better place. Don't look for something better. It is hard to find.