

The Real Estate Wrap

With Leanne Pilkington

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Policy vs property

With both the NSW and Federal elections set to be closely fought, we can expect housing to once again be elevated in public discussion in coming weeks and months.

After all, housing is always a bigger issue when votes are at stake. For the NSW Government, housing policy is largely a known quantity. Stamp duty concessions for lower priced homes for first home buyers, housing targets for Councils with priority precincts identified, and more expedient DAs.

For renters, the much-anticipated “shake-up” of laws included limits to rental increases, set fees for breaking a lease, and better minimum living standards for tenants.

On Labor’s side, the picture is a little different. A re-write of the housing targets and a mandate to incorporate more affordable housing in new developments. An end to no-fault evictions, potentially longer tenancy agreements and a limit on rent reviews.

But how do big picture policies apply to an individual sale campaign? Sure, policy can dictate sentiment, but property is personal. It’s emotive. And this is where a vendor’s advantage lies. With the support of a specialist local agent, vendors can buck the macro trends by focusing on the micro details. The little things that make their house someone else’s ideal home.

Those of us in NSW head to the polling booths later this month. It’s a guesstimate as to how the Government’s existing policies will play out against those proposed by Labor. Either way, as voters prioritise policy, perhaps vendors are best advised to put their property first.

Clearance rates: a resilient showing

Last week CoreLogic numbers showed another slight reduction in national house prices in February 2019 of 0.7 per cent, continuing the downward trend.

Encouraging, then, that Sydney’s auction campaigns showed resilience last week, recording a preliminary clearance rate of 61.3 per cent to crack the 60 per cent-plus level for the second time this year.

This means the final clearance rate should settle well above 50 per cent. A positive result amid soft conditions. In all, there were 799 auctions held in Sydney last week, on par with the week before.

Final thought

While the number of properties being taken to auction is steady week to week, there were more properties being offered under the hammer 12 months ago. It’s a sign of the times as more vendors, having made the decision to sell, seemingly prefer private treaty in the current climate.

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We often reinforce that an auction campaign is not just about a single day. It's a bigger picture means to achieving a sale. Not everything depends on having the auctioneer declare a property "sold!" in front of a heaving crowd.

An auction is a strategy and it may just be a good one at present. Auction attendance is strong and those properties being offered for sale are attracting significant interest. As we've noted above, clearance rates are showing resilience. And there are comparatively fewer properties being taken to auction.

When the market is strong, auctions can be a great way to drum up competition among buyers. However, at this stage in the cycle, for vendors, they may also be a way to alleviate competition from other properties.

There's an argument to be made that an auction campaign in the current market is poised to generate the best result. Of course, this will be influenced by many factors that an experienced local agent will be able to take you through. But this is not the time to rule anything out.

