

The Real Estate Wrap

With Leanne Pilkington

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True believers

Last week we took a closer look at the various factors contributing to the gathering momentum in the real estate market. The end is in sight for the price decline cycle, the cost of finance is low, clearance rates are encouraging and enquiry levels are strong.

On the surface, all positive variables. But this week has demonstrated the one important qualifier for this momentum to grow into a full stabilisation in the market: belief.

Buyers have been told it's a great time to make a property purchase. They know interest rates are low and if the economists at NAB are on the money, there'll be another rate cut next week and a further one at the end of the year.

It appears buyers are beginning to believe that the improvement in the real estate market is more than just rhetoric. The talk has substance.

We are therefore seeing better numbers through open homes and a strong percentage of properties selling under the hammer. Yet the number of actual transactions is low. Available stock is limited, which is helping prices hold firmer, but until the supply valve is released and more vendors take their properties to market, the stabilisation the market needs will remain elusive.

Vendors, it seems, are the ones yet to fully believe.

Of course, it will happen. Vendors will inevitably realise that the buying pool for their properties is legitimate. An increasing number of qualified buyers will inhabit agents' databases. Perhaps the spring selling season will prove the catalyst. But vendors must ask themselves if this is too late.

With spring comes extra listings, extra competition from other properties and more choice for buyers. Will this help or hinder your property's chances of carving out its own position in the market?

Yes, vendors must believe they're making the right move at the right time. But it's worth asking your local real estate expert if they believe hesitation will pay off.

Clearance rates up, volumes down

CoreLogic data shows Sydney recorded a preliminary clearance rate of 67.1 per cent across 551 auctions last week. It was a slight increase on the week prior, which saw 66.4 per cent of the 534 auctions successfully selling.

But volumes are still down. In the corresponding week last year, there were 641 auctions held across Sydney, returning a final clearance rate of 50.1 per cent.

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CoreLogic national auction commentator Kevin Brogan was quoted in *The Australian*: "These volumes also reflect the hesitancy still being experienced by people who are considering entering the market but who are looking at the results to confirm their belief that there is in fact increased market confidence."

Final thought

The way people look for property today is vastly different to yesteryear. The rise of smartphones and social media has to an extent re-written the rule book, with more and more people perusing properties at unconventional hours, whenever time allows, sometimes to simply relax.

Agents recognise this and many are highly engaged in their social channels. But not all agents do it well and those who don't risk rubbing buyers and vendors the wrong way.

Social media invites people to form an intimate view of who we are, so for agents who relentlessly self-promote, popping up in people's feeds can actually generate resentment among a potential customer base.

Buyers and vendors deserve more credit. Sure, people are interested in individual properties, and Facebook is somewhere to find them. But agents who can provide you with more than just property to buy are worth listening to. Whether it's through accurate (not over-hyped) market insights, actual results, unbiased commentary, live-stream auctions, helpful tips or even community initiatives they support, agents who demonstrate that they are interested in more than just securing your deposit are worth engaging with.

These are the hallmarks of social media done well by agents serious about their role as local market experts. And to achieve the best possible outcome from your property journey, local market expertise is the most critical factor.

