The Real Estate Wrap
With Leanne Pilkington

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Mixed messages but momentum maintained

The school holidays are over, providing the chance for the property market to move back into full swing.

Full swing means something different to a couple of years ago but we still saw a pick-up in activity over the past seven days. Laing+Simmons agents are welcoming more people through open homes and one of our top agents in south Sydney said last week that "pretty much everything that goes to auction is selling."

Yet the optimism is cautious. Experienced agents will not sweep the last two years easily aside. For many this question remains unanswered: *Is the recovery happening or is this a false dawn*?

Last week in the US, the Democratic presidential hopeful Elizabeth Warren – who predicted the GFC – sounded alarm bells warning that another crisis might be coming. Closer to home, the economy remains in a delicate spot.

On the other, some experts have issued a warning to first home buyers that prices are not going to fall much further, if at all.

"I think first-home buyers would like to see prices fall further, but that doesn't look like it's happening," Domain economist Trent Wiltshire told *The Sydney Morning Herald* on the weekend. The Domain June House Price Report released recently showed price declines had slowed for the first time since the downturn began in December 2017.

If this is as affordable as property is going to get in this cycle, what does that mean for affordability – especially for those still busy putting a deposit together?

While these messages appear mixed, perhaps it's more a case of the market grasping for a true understanding of where things sit. In uncertain times, it's best for buyers and vendors to put their faith in the deals that are actually getting done, rather than speculate on what might happen next.

And on that score, the market stabilisation the industry craves seems to be on track.

Clearance rates: volumes improving

Volumes were slightly up last week and clearance rates were again impressive but there's still some way to go.

Angie Zigomanis of BIS Oxford Economics told Reuters that "At the end of the day, we're still talking about lower activity that's taking place overall so that doesn't necessarily mean there's a huge number of extra buyers out there in the market."

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Still, on face value, last week was an improvement over the week prior. In Sydney, CoreLogic reported a preliminary clearance rate of 78.5 per cent for the 391 properties auctioned, 88 more than went under the hammer a week earlier. The final result should settle around the 70 per cent mark, which is a strong result in any market.

Final thought

Perhaps it's a sign of the current market that traditional real estate marketing isn't working the way it used to. An ad in the local paper backed by a boosted online listing was once enough to encourage a strong stream of enquiries.

Now, irrespective of the channels an agent uses to expose your property to the buying public, the message itself is becoming more important.

Firstly, it must be specific to the locality. The property has its stand-out features but so does the postcode. The best marketing campaigns will talk to the identity of the community as well as the property itself, selling things like amenity, transport connections, food and beverage offers, parks and nature, as well as the pure bricks and mortar.

Second, it must be targeted. An agent must understand who's going to be interested in the property and why. The message can then be tailored. Investors may be less interested in views and ambience and will instead want to know more about growth prospects and tenant demand. For owner-occupiers, lifestyle factors may dominate the campaign.

Or perhaps the campaign does both, depending on the channel. The point is, in this market, a more strategic marketing approach underpinned by local knowledge is increasingly important. Especially when it has to be done on a smaller marketing budget.