

# The Real Estate Wrap

## With Leanne Pilkington

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### Recovery temptation

The last few weeks have been good but we've been biting our tongue. No one wants to call the recovery before the hard numbers are there to back it up.

Those numbers however are certainly pointing in the right direction. The past week has seen plenty of Laing+Simmons agents achieve results not possible as recently as a month or two ago.

Properties selling well before auction. Sometimes more than a week out. Those that go under the hammer generating lots of interest and prime results.

Case in point: over the weekend one of our offices in southern Sydney offered a fine million dollar plus property for sale. Over 130 groups had been through to inspect. In all, 12 bidders registered for a paddle.

It was fever pitch. The property sold for a few hundred thousand more than the reserve. And it was not an isolated example.

Fairfax reported it was a similar story across the compass points in Sydney, with Domain economist Trent Wiltshire saying at a national level, it is Sydney's market that is leading the "bounce-back to healthy numbers".

Is the market in recovery mode? There are still barriers to overcome before that bold declaration can be reliably made.

Economically, there are live challenges to be navigated. Globally, with the US-China trade war, Brexit, and not to mention a burning Amazon, uncertainty prevails.

But locally, property is performing. Has been for the past few weeks. And we still have spring to look forward to.

### Clearance rates: all numbers up

Last week it was the actual results achieved that were arguably more important than the volume sold. But those numbers are nonetheless strong.

CoreLogic figures show that last week, Sydney recorded a preliminary clearance rate of 84.7 per cent across 500 auctions, the highest preliminary clearance rate the city has seen since February 2017. There's a chance the final result could even come in above the mythical 80 per cent mark.

The impressive run continues, making it increasingly difficult to keep a lid on vendor (and agent) enthusiasm. What's needed is the tap of housing supply to turn back on again in earnest, and results like this will help.

### Final thought

During the last housing boom, the market became flooded with new agents seeking a quick buck through easy sales. After all, property was essentially selling itself and premium prices were being achieved - perhaps undeservedly.

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Many of those new agents who entered the industry in the boom are now pursuing other careers. The correction bit hard and revealed the true value that experienced local agents have always provided.

So this week's final thought is a warning. Perhaps the market is in recovery mode and we have the upside of the cycle ahead of us. Might this tempt a new breed of opportunist agent into the real estate game?

There are reforms being introduced which will make it tougher for new agents to be certified. Bodies like the Real Estate Institute are pushing for real estate to become a profession in its own right. It's necessary, as there's hundreds of thousands and potentially millions of dollars at stake when a property transacts.

But don't be surprised to see photos of more new agents smiling back at you in the real estate pages if and when the market ticks up. Growth industries invariably attract new players.

The issue is, real estate has always been a long-term prospect. To risk a cricket analogy at this delicate time (for Aussie fans at least!), real estate is a test match not suited to T20 specialists.

Career agents, locally experienced, who've lived through the ups and downs of different market cycles and have survived to tell the tale, will always deliver a better standard of service to buyers and vendors. This is how the best results are achieved.

