

The Real Estate Wrap

With Leanne Pilkington

President of the REINSW
Managing Director, Laing+Simmons Corporation

Published 9 September 2018

Vendor confidence justified

It was wild and windy but spring has definitely sprung.

Last week we saw the momentum continue to steadily build. You can see it on the streets. Sold stickers are increasingly dominating sign boards. There'd be more too: the supply tap has not been turned on fully yet.

It's early days but this spring is shaping up as one that reinforces the old adage that buyers come out to play - for real - when the new season ticks over.

So when does a rebound become a recovery? Typically, it's something that can be confirmed after the fact. The housing market has picked up in recent weeks but the sting of the price decline cycle is still being felt.

That's why those of us in the industry would prefer to see the momentum remain steady - and sustainable.

The Reserve Bank's decision to leave official rates unchanged supports this stability, though many believe another cut will occur in the months ahead.

High peaks and low troughs are not what property is about. Steady, predictable growth over the long term is what buyers usually desire from such a large financial commitment.

The last few weeks have delivered this steady increase. The housing market has rebounded and appears to be in recovery mode.

Vendors who have tested the market early this spring have reaped the rewards. Others should feel encouraged to do likewise.

Clearance rates: high times

CoreLogic numbers show Sydney recorded a preliminary clearance rate of 83.1 per cent across 522 auctions last week.

This compares favourably to the week before, when final results show 74.5 per cent of the 590 auctions were successful, and considerably better than a year ago, when 656 auctions were held across Sydney returning a final clearance rate of just 50.6 per cent.

It's been another week of outperformance for the country's largest property market.

Continued on next page...



The Real Estate Wrap

With Leanne Pilkington

President of the REINSW
Managing Director, Laing+Simmons Corporation

Published 9 September 2018
(Continued from previous page)

But it was the results themselves that have raised eyebrows. Across the compass points, people turned out in impressive numbers and bidders were not shy. Reserve prices were in many cases smashed.

Perhaps Australia's highest profile auctioneer, Damien Cooley, told the Sydney Morning Herald's Domain team that he didn't remember seeing a "number of bidders that high ever."

When a strong number of people register to bid it means vendors can breathe a sigh of relief before the action even gets underway.

If you're planning to sell, think about the factors that make your home a joy to live in. It's these "lived in" qualities that may make your property resonate with buyers more than the new apartments on offer around the corner.

Need help articulating what these "lived in" qualities are? An experienced local agent will be able to help.

Final thought

This week's final thought can be expressed rather quickly. Be it in the next three, six, 12 or 24 months, if you're thinking of selling, it's time to make some enquires.

It's time to talk to some local experts. The market may be rising but each postcode has its own temperature.

Your local agent should be able to gauge the temperature of your suburb. This is critical in setting an asking price. If an agent gives you an indicative sale price, make them justify it.

Because, in selecting an agent, this justification is more important than the price they float.