

The Real Estate Wrap

With Leanne Pilkington

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Rebound ready

Last week provided more evidence that property has stabilised and a rebound appears on the cards.

For instance, discounting is coming to end and will soon be a thing of the past. Domain research analyst Eliza Owen, over the weekend, openly said that February 2019 was the bottom of the market.

Price discounts – the hit vendors were willing to take to secure a sale – peaked at \$100,000 and \$200,000, for units and houses respectively, in November last year, Owen said.

Any discounts applied today are a fraction of these numbers as buyer and vendor expectations become more aligned each week. Certain properties are delivering eyebrow-raising results to skew the median discount figure to neutral territory.

The market's nadir was always going to be apparent in retrospect. At the start of the year, many in the industry were understandably pessimistic as to what the weeks and months ahead would hold.

Few would have thought that was the bottom. Now, a recovery appears to be a real possibility. Prices have stabilised, vendors are holding firm and agents can encourage their customers to keep their nerve.

A trip around Sydney's upcoming suburban auctions shows an increasing number of properties selling prior. And vendors are no longer asking – or settling – for less.

Spring has already done its job in terms of encouraging an increase in listings and the weeks and months ahead are looking positive. It will be interesting to see if the recovering fundamentals can persist, with the availability of stock the key factor.

Clearance rates: volumes lift

Another very positive week in the Sydney auction market, with competition among buyers reaching intense levels. We are seeing some interesting tactics emerge.

From *The Sydney Morning Herald's* Domain: "Forceful bidding is one tactic being adopted by some buyers, another sees buyers wait until the auction is almost over before making their first, and sometimes final, bid to win the keys."

Interesting strategies, but only as good as a buyer's threshold permits.

On to the numbers. According to CoreLogic, Sydney returned a preliminary auction clearance rate of 76.6 per cent as volumes were up across the market. There were 647 homes taken to auction, up on the 585 homes auctioned the week prior, when 76 per cent sold.

Continued on next page...



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Continued from previous page...

For the corresponding week last year, there were 851 homes auctioned in Sydney, with just a 51.1 per cent success rate recorded.

Final thought

For many people, the coming weekend marks a moment of change in the calendar year. Most school kids go on holidays, again (doesn't it come around fast?), the footy grand finals put the colder months behind us, and there's a World Cup happening too.

Yet it's business as usual for the property market, in Sydney at least (Melbourne gets a little, shall we say, 'distracted' during AFL Grand Final week). It's another opportunity for buyers to show their strength in numbers, at open homes and auctions across the state, ahead of the Labour Day long weekend when a lot of us head on holiday.

For vendors, it's also an opportune moment for another stock take of your own property future. After the long weekend, on current form, the run through to the end of the year can be expected to be frenetic. Prices are demonstrably on the rise, but the top of the market is a long way off, and housing can only perform as well as the available supply allows.

For downsizers and upgraders, there's value on offer at the moment. As prices rise, the move to sell and buy back in becomes more fraught with uncertainty. Price heat does strange things to the market.

Right now, that heat isn't there. Stable prices make the move more predictable. Let your local agent provide you a roadmap at this steady, yet crucial, time.

