The Real Estate Wrap

With Leanne Pilkington

President of the REINSW
Managing Director, Laing+Simmons Corporation

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An inspired run

How long can this current real estate run last?

The last few months have seen the real estate market arrest its slump and regain its mojo.

The last few weeks have seen the market outperform to the extent that housing has become recognised as the only bright spot in the economic landscape.

The last seven days have delivered more outstanding results in Sydney, higher clearance rates yet again and more of the kinds of expert forecasts that were unthinkable at the start of the year.

Economists from ANZ last week went on the record predicting Sydney house prices would rise 3 per cent this year.

Even more surprisingly, according to the ANZ think tank, the peak-to-trough 15 per cent fall recorded from the late 2017 highs to the mid 2019 low will effectively soon be neutralised, with the rate of annual price growth expected to be at 12 per cent again by mid next year.

Whether the upswing is as dramatic as this remains to be seen. There's still some trepidation in the market concerning stock levels, and whether current activity is sustainable if the listing spike subsides over Christmas and doesn't revive again early next year.

But whatever happens, whether house price growth steams ahead as though the drop never happened, or whether the current micro-boom levels out to some extent, the old adage of "safe as houses" has again rung true.

Property owners already had much to be grateful for. Next year, even more so, it seems. And owners thinking of becoming vendors have much to ponder.

Clearance rates: buyers aggressive, vendors appreciative

According to CoreLogic, Sydney delivered another impressive preliminary auction clearance rate of 84 per cent last week, up slightly on the prior week, with the volume of auctions (724) a literal handful less from a week earlier (729).

Last week's final result settled at 76.9 per cent, a highly credible result expected to be replicated once the final numbers are counted this time.

So far, as volumes have trended upwards, clearance rates have held steady, which points to aggressive buyer behaviour, an underlying strength of demand, but also a low availability of supply overall.

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Final thought

Recent transactional activity could be interpreted as a sign that buyers are keen to take the next step in their property journeys before the end of the year. They're looking to begin a new year, indeed a new decade, with a clean slate.

Likewise, vendors should consider where they'd like to be in 2020. It's that time of year.

We're already aware of the lack of real estate stock on the market. Demand for available homes is pushing prices up. If downsizing is in your future plans, it might be time to put those plans into action.

No-one knows what will happen on the listing front next year. Many early 2019 predictions have made their forecasters look foolish.

But 12 months can slip by quickly and once this time next year rolls around, competition among vendors could intensify – especially if 2020 price rises predictions come true.

For downsizers, the current market presents a rare alignment of the planets. Buyer demand is strong, finance is cheap and the options for growing families are limited. You may be sitting on one of those few options right now.