

The Real Estate Wrap

With Leanne Pilkington

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Knowns and unknowns

Identifying the key questions for the real estate market - or any market, for that matter - is largely an exercise in known quantities. But forecasting the answers is a foolhardy enterprise.

The Reserve Bank meets against next week. Last month, it cut the official cash rate to the lowest this country's ever seen. In the time since, no economic fundamentals have teased an upward trajectory that would suggest the move was wrong. But does that mean another cut is justified, or even likely?

Finance has officially become very cheap with one important caveat: a borrower's secure employment. When fewer people can genuinely claim their job is "safe as houses", we can expect the impacts to reverberate through the housing market, and this will extend to the Reserve Bank's deliberations.

Cheap loans support strong demand. But what if those loans dry up on account of fewer approved applicants, if unemployment creeps up, if rising house prices scare those unsure of their job prospects into abandoning their search for property?

Lots of questions, lots of "ifs".

We think demand is robust enough to hold true. Numbers through open homes and historically high clearance rates reinforce buyers' appetite for property. And vendors, right now, continue to reap the rewards.

New figures released last week reinforce the point. *The Sydney Morning Herald* reported the latest house price report from Domain, for the September quarter, indicates the Sydney property market is showing signs of a strong turnaround.

"Domain figures revealed the median sale price in Sydney increased 4.8 per cent in houses, and 2.6 per cent in units, so these auction figures speak to the remarkably strong rebound in the Sydney property market," Domain research analyst Eliza Owen said last week.

There are countless other pertinent questions but the truth is, as we wind down 2019, no one knows what 2020 will hold. What we do know is that the market flirted with buyers earlier in the year to become a sellers' market again now.

List a property, price it reasonably, and in all likelihood you'll expedite a sale. For a premium too, if recent results are any guide.

If the question you're weighing up is "should I put my home on the market?" then the answer will depend on your personal circumstances. But against the unknowns of next year stand the increasingly

Continued on next page...



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...Continued from previous page

attractive conditions for vendors today. Hence the most pertinent question is probably “why wait?”.

Clearance rates: big volumes, steady results

It was a huge week for auctions nationally. CoreLogic numbers show there were 2610 auctions held in the capital city markets last week, an increase of 33 per cent on the week before, with 761 of them in Sydney.

CoreLogic reported a preliminary clearance rate of 79.65 per cent for Sydney, another highly credible result especially given the spike in volumes.

In the week before, the final clearance rate settled at 79 per cent, which was the strongest final result Sydney has recorded since early 2017.

Final thought

Listings may have increased in recent weeks but as we move closer to Christmas, they can be expected to ease as people naturally divert big decisions to next year.

It doesn't mean they should. But for property owners who envisage a change in the future, be it in the short, medium or long term, now is the time to at least undertake an audit.

It's time to research recent sales results in your postcode. Check the number of sold signs in your neighbourhood. Peruse the property apps. Form an understanding of the likely demand and value of your home.

Look inside too. Are there renovations that could add value? Major jobs that must be done or minor fixes that might represent a better return on investment? Come up with a cost-versus-benefit renovation plan aimed at maximising the eventual sale price of your home without breaking the bank to do so.

An audit of your personal property circumstances is an important exercise for any vendor, whether you're looking to upgrade, downsize, seachange, treechange or even invest in the future. And you don't have to do it alone – your local real estate agent is the ideal sounding board.

