

The Real Estate Wrap

With Leanne Pilkington

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Published 9th December 2019

Scene set for 2020

As expected, the Reserve Bank left interest rates unchanged last week to close out the year. On the auction front it was another impressive result, with volumes strong and clearance rates in line with recent weeks.

Agents report a full mix of buyers were active: owner-occupiers, investors, first home buyers and the rest. Overall, as we head into the final big week of the real estate year, the lay of the land is fairly well known.

Conditions continue to favour owner-occupiers, with sustained low interest rates providing a degree of certainty in support of an upgrade, downsize or first home purchase. Interestingly, though, renewed investor interest adds another layer of complexity to the market which, if you're a vendor, is good news.

Those in the market who don't make a play in the next few days will likely encounter similar market conditions at the start of next year, but with competition from more buyers swelling in the background.

What this means for prices is difficult to tell. The turnaround experienced this year has been welcome and continued, steady growth is a reasonable expectation. While demand remains strong, buyers can also be expected to be cautious not to over-extend when market activity resumes in 2020.

But for now, for those wanting to transact before Christmas, we can expect an intense week ahead.

Clearance rates: another stellar week

The week before last was the busiest for the Sydney auction market for 2019. The week just past was the second busiest for the country.

CoreLogic says there were 2837 homes taken to auction across the combined capital cities, returning a preliminary clearance rate of 74.5 per cent.

In Sydney, 936 auctions took place last week, returning a preliminary clearance rate of 78 per cent. Volumes were slightly down on the 1221 auctions held over the prior week, when the final auction clearance rate levelled at 78 per cent. This time last year clearance rates were sitting at about half this number.

Continued on next page...



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Continued from previous page...

Final thought

It's that time of year when many of us take our foot off the pedal. There are really only a few days of property market action left before a brief hibernation over Christmas and the new year.

It's the perfect time to take stock of what's happening in your neighbourhood.

End of year wraps and coming year predictions invariably generalise. Buyer demand is strong, prices are trending upwards and although tempered by a shortage of supply, transactional activity is positive.

Across the board, this may well ring true. But individual suburbs differ. Pockets therein can perform independently. A string of high prices achieved in the top end market can skew the overall result. Likewise, increased first home buyer activity at the lower end may not mean much for vendors in prestige suburbs.

Sentiment matters and a prevailing confidence in real estate is positive for all vendors. But much more important is an understanding of what's driving activity in your patch. Property may be in demand, but why is your property of interest? And to whom?

And what are they willing to pay? If you're a vendor, an accurate view of the micro market is critical to your pricing strategy, your marketing plan and more. All agents can talk up the general market, but it takes an experienced agent at the local level to provide substance to the hype.

One thing every property has going for it is location. How you communicate the attributes of that location is in many ways the key to a successful sale. Let an expert local agent find the words for you.

