

The Real Estate Wrap

With Leanne Pilkington

President of the REINSW
Managing Director, Laing+Simmons Corporation

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Christmas rush

In what was essentially the last full week of action, a sense of urgency characterised the real estate market over the last seven days. Buyers across the suburban pockets were keen to secure a purchase before the year draws to a close.

Predictably impressive results ensued. Reserve prices were largely surpassed with relative ease at auctions. Not all properties made it to the day; Laing+Simmons offices reported numerous cases of buyers transacting prior.

The end of the year has seen considerable activity from the top end of the market down to first home buyer stock, leaving a good taste in the mouths of everyone who's been watching the market stabilise with a view to buying or listing.

It will most likely have to be next year now. Some properties will be offered under the hammer this weekend and other sales campaigns progress, but on the whole, a hiatus begins.

We'll be back in a few weeks' time. Let's hope the real estate market comes back too, just as it has left off.

Clearance rates:

CoreLogic reports there were 846 homes offered under the hammer across Sydney last week, down on the week prior when 976 auctions were held, but still a strong number given the time of year. A preliminary clearance rate of 73 per cent was achieved, which is generally in line with the preliminary results recorded in recent weeks.

With only a fraction of this volume of properties scheduled to be offered at auction this week, the year's final weekend of earnest auction action continued the trend of strong numbers and impressive success rates.

The turnaround in 2019 has been dramatic and the stabilisation that has been established is most certainly welcome.

Final thought

And there we have it. It was a year in real estate that started with doom and gloom headlines, with prices dropping month on month, with the threat of the bottom falling out of the market.

Yet somehow over the course of the year, conditions shifted entirely to bring renewed hope to vendors, relief to lenders and confidence to buyers.

Continued on next page...



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...Continued from previous page

Some put it down to post-election comfort. Low interest rates were another contributing factor. But the real reason for the shift was not an isolated trigger, no silver bullet. It was a combination of factors underpinned by one truth.

The real estate market at its heart is a supply versus demand beast. The fact remains there are too few homes available for purchase to satisfy the number of people wanting, or wishing, to buy.

It's a point worth remembering as we enter the uncharted waters of a new year.

Already the 2020 predictions have been vocalised. The consensus for real estate appears to be, brace yourself for a fairly flat year. Prices could well continue to rise but a cloudy economic outlook means the next boom is some way off.

That all sounds fair enough. But property - your property - is really all that matters to you.

In the current climate, whether you're buying or selling, fair value is the only reasonable ask. It goes both ways. So this year's final 'Final thought' is simple.

Buyers: don't expect a bargain. Vendors: don't expect a premium. Everyone: be confident and remember no due diligence process is complete without talking to an experienced local agent.

Merry Christmas and happy new year!

