The Real Estate Wrap
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The spring selling season is here

Then again, it's not that simple. Westpac threw a spanner in the works last week, announcing an out-of-cycle rate hike. Mortgage holders await similar announcements from other institutions with bated breath. The new Treasurer issued a reactive 'please explain' but in these cases, the end - being more profit - doesn't seem to need to justify the means.

The impact on buyer demand for property, we expect, will be negligible. Those serious about making a purchase will have crunched their numbers having factored in an increased cost of finance anyway. And let's not forget, the price heat has come out of the market, a point the media seems fixated upon.
Referencing CoreLogic figures, The Australian Financial Review this week reported on housing price declines: "Sydney's annual pace of decline widened slightly to 5.6% - a level it last saw in March 2009 - from 5.4%".
The report blamed tighter credit restrictions on what it called "a slow start to the spring selling season". It seems a very, very early conclusion to draw.

All this amounts to an environment in which buyers will be even more fearful of over-paying. In other words, for all intents and purposes, it's business as usual.

For vendors, it doesn't require an adjustment of expectations, if they are realistic, considering the local market supply and demand. Getting a price that reflects a property's true value is how a balanced market is characterised. But in times such as these, it's critical for price expectations to be realistic and this relies on an open dialogue with an experienced agent; those who know the local market and are conscious of real time sales data.

The numbers

At face value, new CoreLogic numbers will raise eyebrows. House prices nationally fell for the 11th consecutive month. According to the Hedonic Home Value Index, Australia's median home price fell 0.3%, adding to a 0.6% drop recorded in July. The decline over the past three months was 1.1%; over the past year it was 2%.

Property is a long-term investment for most people and a 2% decline in 12 months, in the context of the growth experienced during the boom years, provides some necessary perspective.

Sydney had a preliminary clearance rate of 58.6% based on 476 results reported from the week's scheduled 662 auctions, CoreLogic said. Last week, the preliminary clearance rate in Sydney was 59.1%, later lowered to 53.2%.
The other important number this week is 1.50%, being the official cash rate. With no firm cause for change, the Reserve Bank took the prudent course and left interest rates unchanged. Whether the banks follow suit remains to be seen. Westpac has already signalled its willingness to act outside the RBA's direction.

Final thought

Accumulating a deposit for a home in Sydney is no mean feat, even when the buyer owns property to begin with. It's a position that should be respected.

Every serious offer tabled, with deposit in tow, should be carefully considered. Your agent will be able to identify real offers from serious buyers.

Remember: you pay an agent not just to sell your property, but to develop, implement and manage an entire campaign. Ask their opinion as the campaign progresses. Get your money's worth.