

# The Real Estate Wrap

## With Leanne Pilkington

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### Stamp duty: overhaul or over-stated?

This week the NSW Government announced with great fanfare the biggest overhaul of stamp duty "in a generation". NSW Treasurer Dominic Perrottet's words, not ours.

The key take out? The price brackets which dictate the stamp duty payable by home buyers will rise with inflation from the middle of next year. According to Berejiklian, Perrottet and co., the changes will cut the average stamp duty per transaction by around \$500 by 2021, the savings to rise in time. The reaction? Ho-hum. Not much in it for first home buyers; not much in it for anyone buying now.

Perhaps as consumers we should welcome the apparent willingness of political parties to at least entertain the notion of addressing what former NSW treasury secretary Michael Lambert called the "most inefficient of NSW state taxes". But really, until stamp duty is completely abolished, the housing market – and consumers – will continue to be stymied by this counterproductive obstacle.

If the stamp duty announcement is a case of the Government getting an early election punch in, it's with good reason. A Committee of Sydney report released this week shows that buying property – even a first property – is not only difficult for people on lower incomes. It's a challenge for everyone. According to *The Sydney Morning Herald*, "The report showed Sydney's most economically dynamic regions – those suburbs with the highest proportion of high-value knowledge jobs and high job density - coincide with high rates of renting."

So property is a difficult asset to buy for people across the socio-economic spectrum. For vendors, this is instructive. In choosing an agent, in setting your price, in presenting your home, remember: an interested buyer is taking a leap of faith. They've done the hard yards just to get to the inspection. For your part, and your agent's, you need to make the process as straightforward as possible to meet them halfway.

### Clearance rates steady

CoreLogic numbers show Sydney's preliminary clearance rate this week fell to 47.7% from 50.7% seven days earlier, based on a similar number of properties offered under the hammer. Despite a modest improvement in the number of reported results, the final clearance rate may well be revised below the 45.3% figure of the week before. So the trend continues, reinforcing the importance of working with the best local agents to decide the best sale strategy and the right reserve price. Anecdotally, some Laing+Simmons agents are bullish about select upcoming auctions, while others are investigating alternate avenues in the campaign strategy. Business as usual, then.

### Final thought

Funny how politicians want to help people realise their dream of breaking into the property market when elections loom. The stamp duty announcement is the first of presumably numerous housing policy promises that will be unveiled to lure voters in NSW through til the March state election. Yet while the motivation to win votes might be obvious, these announcements can influence sentiment. For instance, with the stamp duty announcement, a prospective buyer today is either just as prospective tomorrow, or more so.

Any measure with the potential to improve buying conditions and promote affordability, even if it's only a baby step, can help keep the market buoyant in challenging times. And it's this sentiment that the best agents tap into. But it must be done in an authentic way. The housing market is at the whim of countless influences. Some are headliners, like price movements, while others operate in the background, like residential building approvals. All the influences matter, but how much do they matter in the context of a sale campaign for a single property? And which factors make the purchase of that property today, a smart move tomorrow? There's a case to be made for every property in all conditions.

Good local agents can see through the quagmire to the bigger picture.

