

# The Real Estate Wrap

## With Leanne Pilkington

President of the REINSW  
Managing Director, Laing+Simmons Corporation

Published 22nd July 2019

---

### A different recovery

For many, it was the final week of school holidays and it was another rather subdued affair in real estate. As we press towards stabilisation in the market, there are many factors to balance.

Many are tied to the employment market. It is hoped that recent tax cuts and newly lowered interest rates will encourage spending, boosting the economy in a way that lowers unemployment and contributes to a return to wages growth. This in turn should give rise to improved confidence among new and existing property owners to put property plans into action.

But it's easier said than done. A deeper look at employment numbers reveals a high proportion of people who are under-employed – looking for more hours – while the gap between the jobless number and available jobs is significant.

A housing recovery remains some way off and stabilisation in the near term is a more appropriate objective. And when a recovery does arrive, it's likely to be on different terms than before.

In the latest realestate.com.au Property Outlook (July 2019), Chief Economist Nerida Conisbee says a market rebound will be vastly different to the conditions experienced during the boom: "Investor lending, which is now down 45% from peak, will unlikely get back to where it was any time soon. Buyers from Asia, a key market for new development, have dropped dramatically."

Demand will have to come from different sectors and encouragingly, the signs are already evident that it is. First home buyers are actively looking and the appetite among upgraders and downsizers appears stronger, given reduced competition from investors and overseas interests.

In time, vendors will turn the volume tap on again. Maybe spring will be the trigger. With no price heat in the market, both buyers and vendors can make clearer decisions. But security of employment is the key.

### Clearance rates: new high

The Sydney auction market recorded an 18-month high last week, returning a preliminary clearance rate of 81.5 per cent. But this eyebrow-raising result was from a meagre 303 auctions, fewer than the week before and over 100 less than the corresponding week in 2018. With the kids' mid-year break now behind us, it will be interesting to see how the next few weeks pan out.

### Final thought

At times like these, the housing equation is never simple. Level-headed agents talk of market stabilisation. Optimists point to a pending recovery. Both outcomes could be deemed 'good news'.

Continued on next page...



# The Real Estate Wrap

## With Leanne Pilkington

President of the REINSW  
Managing Director, Laing+Simmons Corporation

Published 22nd July 2019

---

Continued from previous page...

But to balance the positivity, some sobering stats: homes in Sydney are, on average, taking longer to sell. Up to three months actually, according to Domain figures.

This would appear to contradict recent clearance rate data. The shortage of stock might be seeing most homes offered under the hammer selling at impressive prices, but on the whole, agents are still having to work hard to secure a sale.

So what's the antidote to properties sitting on the market for longer? One of our most successful offices in southern Sydney reckons 'premium marketing' might be the answer.

Premium marketing means doing the things other agencies don't do. It means working on the premise a property must be made as readily accessible to buyers as possible.

It can take different forms. Extra open homes. Private appointments for time poor people. Proactively organising pest, building and strata reports and distributing these free on request. Helping to dress the property to look its best, irrespective of a styling budget.

The best local agents will apply real attention to detail to the entire marketing process to position their customers' homes in the best possible light. Buyers are therefore free and comfortable to make an easier, more informed decision, more quickly.

