

# The Real Estate Wrap

## With Leanne Pilkington

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### Too much, too soon? Not for today's vendors

It's been another stand out week for real estate in New South Wales.

In greater Sydney and key regional markets, property is selling well, and fast. Clearance rates are strong and have been for many weeks now but, of course, not all markets are suited to auctions.

Private treaty sales are attracting lots of interest too, and agents are definitely feeling the mood shift this spring.

If there are any lingering questions, they aren't about whether the housing market is experiencing a false dawn after the recent price decline.

Instead, the only concern is whether the return to growth is too abrupt. Too much, too soon.

Any sharp shifts in price are cause for nervousness. Price drops are obviously worrying. But after such a sustained period of month-on-month declines, the comparatively sharp uplift in recent times is raising eyebrows.

Can it continue at this pace? Probably not. Vendors who have sold over the last few months have timed it well.

And vendors currently working with agents to prepare campaigns must be feeling pretty confident. For the market to stabilise, there's still a gap in growth that must be filled, and a wave of vendors are preparing to make their move.

But it's not a tidal wave. Vendors are yet to begin moving in huge numbers. Supply is still constrained, which is supporting the new price benchmarks being set across different suburban markets.

Until the supply tap is turned on fully again, there's no telling when this sharp uplift in sale prices will flatten out to more comfortable growth levels.

In the meantime, those vendors in the market will continue to reap the benefits of a genuinely large pool of demand.

### Clearance rates: still riding high

At the risk of sounding like a broken record, it was another week of outperformance for Sydney's auction market. Week-on-week, clearance rates are hovering around the 80 per cent mark and reserve prices are being beaten.

CoreLogic numbers show Sydney recorded a preliminary clearance rate of 80.3 per cent across 580

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auctions last week. The week before, the final results came in at 75.7 per cent of 528 auctions being successful. We expect a similar final result from this latest batch.

In comparison, one year ago, 669 auctions were held across Sydney returning a final clearance rate of 48.6 per cent. Nearly half.

### Final thought

Melbourne Cup celebrations are being booked. Some proactive HR managers are trying to get on the front foot, asking team members about their Christmas holiday plans.

As much as we may shake our heads in disbelief, 2020 will soon be upon us.

Realistically, a decision to sell now means a campaign that kicks into full gear a few weeks, or even months, down the track. There's much to organise.

If you want to be in the market before year's end, if you want to tap into the current buyer appetite, it has got to be now.

No one knows what next year will hold. What we do know is that the market will be vastly different than it was 12 months earlier.

How can this work in your favour? Should you fast track your sale plan now or will post-Christmas generate just as fruitful a result for your specific property?

It's a key question for would-be vendors to answer. Your local agent's opinion is one you should definitely seek.

