The Real Estate Wrap
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Housing the hot button issue - again
Few markets inspire, generally in equal measure, predictions of booms, doom and gloom quite like residential housing.
It makes sense. The numbers that affect our living situation invariably feel close to home. This week, the doomsayers have been out in force and debt is the current day villain.

60 Minutes focused on Australian household debt on Sunday night. The report warned of a looming debt crisis with "experts" claiming houses could drop up to 40 per cent in the next 12 months.

It's not all tabloid alarmism: there's substance to the view that Australians are heavily indebted when it comes to property. But a 40% drop is a generalisation that makes little sense in a local market context.

Why? Suburban pockets in different capital city and regional markets perform in isolation. Always have. Comparing Sydney to other markets is like comparing apples to oranges. Same goes for different markets within Sydney.

Nevertheless, these stories can be an important reminder for buyers to have their ducks in a row. Approach reduced deposit property offers with caution. Factor in a number of rate rises to your repayment capacity. Don't overspend. Mortgage stress for many people is real, and those that overpaid for property during the boom may be feeling the pinch.

All this advice applies irrespective of the state of the market.

For vendors, be realistic. Respect the fact that buyers are doing their homework carefully. If they come to your open home, they have done so for a good reason. So take it as a vote of confidence.

And above all, listen to your agent. They will have experienced the ebbs and flows of a market in flux before. They know that the good times are never as good as the pundits crow, and the doomsayers routinely overstate the crashes they predict.

A market in balance is a market in which every serious buyer and vendor can strike a good deal.

A slow burn spring
In Sydney, the preliminary auction clearance rate according to CoreLogic this week was 52.6%, up from last week's final result of 50.6%. Volumes were generally on par, with 665 homes taken to market compared to 656 auctions last week.

Week on week, little is changing on the auction front. Spring has not been the catalyst for a pronounced upswing in prices or clearance rates, as was never going to the case. Instead, buyers are remaining cautious and vendors are realising fair prices for their properties.

Competition for available properties is still strong. As stock levels rise, albeit gradually, more buyers can be expected to emerge from the woodwork. This year, the spring selling season story will be a slow burn, but we can still expect a happy ending.

Final thought
The simplicity of the key fundamental influencing the Sydney market cannot be ignored: there are more people requiring a home in Sydney than there are properties for sale and being built.

Population growth is exacerbating the shortfall. Government urban renewal schemes and priority precinct programs are an acknowledgement of the growing issue.

Yet, as we often allude, each local market is different. And each local market has its merits that can be worked into the bigger picture to create a compelling narrative for a buyer. This is what a strategic marketing campaign does. The necessary element is the local perspective.

So talk to your agent about what makes your area special. Ask why buyers may be hesitant to commit to the area. Ask them how they plan to counter this perspective. If they're local too, they'll know.