

The Real Estate Wrap

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Read between the lines for a calmer narrative

Another week of steady results achieved against the backdrop of more grandiose headlines. We Aussies love real estate stories. Around three million of us tuned in to watch the finale of *The Block*, apparently. But we digress. The real-life real estate story is comparatively shorter on drama at the moment. Which is great news for buyers and vendors merely trying to secure their future, without the accompanying 15 minutes of fame.

That's not to say some storytellers are holding back. A news.com.au weekend headline threateningly revealed "The hidden cost of the house price crash" in making the case that some states and territories are overly-reliant on stamp duty. Fair point, one which could be the basis of a whole independent inquiry, although the implied "crash" in house prices is a tad far-fetched. Didn't those contestants on *The Block* make a tidy profit?

Then according to *Domain* earlier this week, this: "Agents say the cut-through trend in the current market is a flight to quality, and buyers are marking properties much harder than six months ago."

Let's be clear: buyers will always mark properties hard. You would yourself. Buying property is a major undertaking. In times past, perhaps buyers might have had to raise their offers in order to secure the property on their radar. But few ever said "name your price". *Domain* continued: "Buyers are competing vigorously for renovated homes and attractive land sites in prized pockets of the city, but are giving a wide berth to some second-tier properties."

It's a generalisation with some basis in fact. We have reiterated in recent weeks that quality properties continue to transact where price expectations are reasonable. But generalisations, by definition, fail to account for special cases. And each property is unique. A sale campaign is as much about positioning your property in the bigger picture story of the local market as it is about articulating why it's one of a kind. A good, experienced, local agent will understand the balance.

Clearance rates: on trend

CoreLogic numbers show 796 auctions played out in Sydney last week, up from 659 a week earlier. While reporting rates improved slightly week-on-week, from 65.1% to 66.2%, the preliminary clearance rate eased to 50.7% from 52.2%. The previous week's preliminary estimate of 52.2% was revised down to 44.6% and, again, we expect a similar story when this week's numbers are finalised.

So what's the key take-out? Subtract 2, carry the 1...the overall the number of properties sold at auction in Sydney – yet again – remained relatively steady.

Final thought

You've probably heard real estate types in recent times say something to the effect of "it's tough out there at the moment." They're not lying, but equally, they shouldn't bemoan the fact. Making a living is difficult for most people, agents included, and in subdued economic times, everyone needs to work harder.

So, when choosing an agent, pay attention to their body language. Dig deeper into their demeanour. Those who come ready-armed with excuses have probably used them before. The confidence that only comes through experience is unmistakable.

Yes, it's more difficult to secure the right buyer for the right price in the current market. The best agents will relish the challenge. But beads of sweat will appear much sooner on the brows of those fair-weather agents who entered the industry during the boom.

As one Laing+Simmons office principal - with a broad smile, it must be said - commented last week: "It's just good, hard work out there at the moment."

Sounds like most people in most industries.

