

How to take advantage of a difficult market

BRONWEN GORA

IN real estate terms the market is at a stage where the wheat is being sorted from the chaff.

Put a property near transport and a school on the market, well renovated or totally unrenovated, and it is highly likely to sell.

But list a pricey \$1 million-plus property far from the bright city lights and disappointment could be the result.

These scenarios are increasingly common in the soft market Sydney is experiencing.

Yet the right properties are selling. Some agencies are getting clearance rates of 100 per cent on certain days, including Raine & Horne Marrickville that sold all 12 properties auctioned on April 4, while McGrath's Cronulla office sold all seven properties auctioned on April 9.

So what are the rules to follow if you're buying, selling—or trying to do both—right now?

If you're selling

THE main message from agents and other property experts is to be realistic with price and committed to sell. Do not simply fish for offers to find out what price can be achieved.

Leading auctioneer Peter Baldwin from Richardson & Wrench said buyers see through this approach and will not be tempted in the current conditions to pay more than they are prepared to pay.

"The buyer needs to be convinced the seller is motivated—this has been proven at auctions," said Mr Baldwin, who has been auctioning homes for 22 years.

Property finance expert and Yahoo! 7 Finance real estate expert Peter Boehm said sellers should "rip all the emotion" out of the process.

"Things are tougher out there and realistic prices need to be set," said Mr Boehm, who has just released a first home buyer's guide, *The Great Australian Dream* (Slattery Media, \$25 rrp).

"See what other properties are selling for and use that information to either wait longer or sell.

"Don't let people tell you they can sell for one price when the market is telling you otherwise."

Price range is also important and



TOP FIVE TIPS FOR SELLERS

- ▶ Set a realistic price. Assess the merits of auction versus private treaty.
- ▶ Research your suburb to gauge local price movements.
- ▶ Double-check what the selling agent tells you about price.
- ▶ Identify what's unique about your property and promote it.
- ▶ Make sure your property is inspection-ready.

TOP FIVE TIPS FOR BUYERS

- ▶ Make sure that you're ready for the emotional and financial cost of home ownership.
- ▶ Focus on properties and areas you can realistically afford to buy in.
- ▶ Location, location, location.
- ▶ Inspect before you buy.
- ▶ Act with your head, not your heart.

SOURCE: REAL ESTATE EXPERT PETER BOEHM

homes from \$600,000 to \$900,000 have the best chance of selling, said long-established buyer's agent Gina Machado of finderskeepers.com.au.

"We're finding lots of people with those budgets," Ms Machado said. Two-bedroom apartments in the inner east, west and lower north

shore in that bracket have been achieving 75 per cent clearance rates at auctions.

But don't be put off by the fact that their property may fetch less than it may have at this time last year, said one of Australia's foremost residential experts David Poppleton,

a former director of international agency Colliers Jardine.

"If you're getting \$50,000 less for your property than you think it's worth don't let that scare you because if you're upgrading you might be paying \$100,000 less for the property that you're going for. Now is a good time to buy because of that."

Conversely, downsizers should probably wait. "You'll be losing more if you sell your place and buy down," Mr Poppleton said.

He advises sellers to stand their ground on price. "Although you need to take the advice of the right people, don't be scared into taking the first offer. Do the research."

If you're buying

BUYER'S agent Gina Machado says the fear factor engendered by auctions is a good reason to do your homework.

"Selling agents love auctions because buyers arrive with a figure in mind which is almost always lower than they want to spend," she said.

"Then they see that somebody else is willing to pay a bit more and it gives them confidence to pay more. But if you know what people are paying you know what a property is actually worth."

"So do your homework—it's boring but it's my mantra. Follow auction results, see the level of competition and keep talking to the agents. And if there is an opportunity to buy before auction at a price you're happy with, take advantage of that."

Home hunters, though, definitely have the upper hand as prices have softened, Richardson & Wrench's Mr Baldwin said.

"The opportunities are there in great suburbs in great streets," he said. "There's not one sector of the market going gangbusters so you're in a very nice field to be buying, in any price bracket."

"When the market was on fire in 2003 the one thing a buyer wished for was to be able to buy at value, and because they couldn't sense value, they were forced to go along with the wave."

"We've seen peak markets in the past when the rental market has been terrible but now the opposite is true."



Wow factor

673D Tallowa Dam Rd, Kangaroo Valley
Price guide: \$1.9 million +
Agent: McGrath Bowral, 4862 2122

ITS name, Skyfarm, sums up this getaway on 30.3ha with views as far as Jervis Bay. It has a main three-bedroom house with private gardens and pool, plus a four-bedroom guesthouse with pavilion-style living spaces and its own pool. Scope for further expansion as an eco-friendly tourist spot or family getaway, two hours from Sydney or Canberra, 10 minutes to the valley's shops, and an easy drive to Berry.



What's new

Aria Apartments, 137 Willarong Rd, Caringbah
Price: From \$409,000 for one-bedroom apartments
Agent: Shire First National Caringbah, 9524 2499

ALREADY 60 per cent sold in two weeks, these apartments offer either ground-floor villa-style living with front and rear courtyards (from \$509,000), two-level townhome living (from \$579,000 up to \$645,000), or apartment living (from \$409,000 for one bedroom and \$509,000 for two) with open floorplans and balconies. All face north, and have kitchens with CaesarStone benchtops and gas cooking, ducted air-conditioning, built-in wardrobes, internal laundry, secure parking and intercom.

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