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 $5 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! 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 long-established buyer’s guide, The Great Australian Dream (Slattery Media, $25 rrp).

“As with other property selling and for use that information to price your home, re-price 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 homes from $600,000 to $900,000 have the best chance of selling, said long-established buyer’s agent Gina Machado of finderkeeps.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 International.

“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 $800,000 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

TOP FIVE TIPS FOR SELLERS

› Set a realistic price. Assess the merits of auctions versus private treaty.
› Focus on properties and areas you can realistically afford to buy in.
› Make sure that you’re ready for the emotional and financial cost of home ownership.
› Make sure you’re ready for the emotional and financial cost of home ownership.
› Make sure you’re ready for the emotional and financial cost of home ownership.

TOP FIVE TIPS FOR BUYERS

› Focus on properties and areas you can realistically afford to buy in.
› Make sure that you’re ready for the emotional and financial cost of home ownership.
› Make sure that you’re ready for the emotional and financial cost of home ownership.
› Make sure that you’re ready for the emotional and financial cost of home ownership.
› Make sure that you’re ready for the emotional and financial cost of home ownership.

Mr Poppleton said things are tougher out there and 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! 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 long-established buyer’s guide, The Great Australian Dream (Slattery Media, $25 rrp).”

“What’s new

Wow factor

673D Tallowa Dam Rd, Kangaroo Valley
Price guide: $2.5 million
Agent: McGrath Bowral, 4662 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, 1537 Wollongong 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-styled 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 wardrobes, internal laundry, 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.

Swim the Dardanelles

Europe to Asia 27 August - 2 September, 2011

In 1915, Gallipoli was an arena for heroes, and it will be again... Grandfathers from many countries came here for war, now the grandsons & grandchildren will compete in peace! 96 years after the Gallipoli Campaign, the battlefields will challenge the athletes of the world.

During August 2011, one of the busiest commercial waterways in the world will be closed to shipping for just a few hours to allow for an open water swim across the Dardanelles. The Australian Olympic Gold Medalist, Murray Rose, may lead our swim team as he did in 2010.

Military History Tours in conjunction with the Rotary Club of Canakkale/Gallipoli has designed a 6 night programme in Turkey to allow you to not only participate in this 4 km swim but also to take the sights of Istanbul and to visit the battlefields on the Gallipoli Peninsula. A shorter 3 night programme is also available.

Join us as either a swimmer or as a supporter.

For more information call Military History Tours on 1300 364 671 or visit www.militaryhistorytours.com.au