

shirevalues

EDITION 82

**SELLING FOR
MORE IN 2024**
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SO FAR, 2024.**
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Whilst every property has a fundamental value, the odds of outperforming the market price can be increased, by adopting some simple yet effective strategies.

Presentation

The modern buyer is time poor and adverse to spending additional money on a property post settlement.

Many buyers subconsciously overstate the cost of works and wipe the inflated figure off their opinion of value. Presenting a home in its finest light is not to suggest one should renovate before selling.

Repair the repairs, focus on creating an emotional and visually appealing presentation, run with an inspired presentation that will appeal and engage the maximum number of potential buyers. The right presentation can add value to the property whilst a poorly presented property can negatively impact the final selling price.

Price accurately

Many agents underquote in order to attract the best buyers to their listings. Any vendor or agent who 'overprices with the view to negotiating down' will unintentionally scare the best buyers off.

Once your home is listed on the real estate websites, it is competing against other properties for a buyer. If you are seemingly priced above the market, the buyer competition won't ensue for your property, regardless of how well it is presented.

Price accurately, attract and create buyer competition, sell to the buyer who offers you the best price and terms.

Early interest

The best buyers tend to come early. Never reject a strong offer purely because its early in the campaign. If there are multiple strong offers early in the campaign, even better. Know that the best buyers, those who are keenest to buy a property, will turn up early in the campaign.

To lose your best buyer and then spend 90 days presenting and showing your property in the hope of finding another buyer at the same price is demoralising and probably a lost cause.

Events

Markets are fluid. Events change the direction of markets. Interest rate moves, changes in Government policy of some sort, geo-political events, buyer sentiment can gyrate, economic trends, seasons, stock levels all combine to impact on market performance.

One gets the feeling 2024 is going to be a year of events – all of which will impact property markets, both positively and negatively. Stay attuned so that you are comfortable with the timing of your sale.

Agents don't like to admit that timing and luck have such a massive impact on the sales result. Be strategic with the timing of your sale and pray for luck.

Changeover price

We all know the buy high/sell high – sell low/buy low mantra. Easy in theory – little harder to execute in practice. Particularly when pockets of the housing market are under pressure whilst others are booming.

The market is never linear. If you are buying and selling at the same point in time, hopefully for you there is a logical relativity between the price you sell at and the price you buy at. Focus on the changeover price between the two transactions rather than trying to engineer the improbable sell high/buy low equation.

Right team

Hire the best people. The best real estate lawyer (that's largely defined as one who is available), the best real estate agent (that's not necessarily the one who tells you what you want to hear) and the best tradespeople (that's defined as people who can do a good job in a timely fashion at a fair price).



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MIRANDA**



**2A TULONG PLACE
KIRRAWEE**



**56 MANSION POINT ROAD
GRAYS POINT**



**12 WESTRINGIA PLACE
GYMEA BAY**



**3/99 KARIMBLA ROAD
MIRANDA**



**11 NOYANA AVENUE
GRAYS POINT**



WHAT WE KNOW SO FAR, 2024

Assessing where property markets are headed for the forthcoming calendar year is difficult in the first 6 – 8 weeks of 2024. January is the least active month of the year, with most auctions beginning from February onwards. Here's what we know so far however, about the 2024 property market:

The Rental Crisis

January may be the slowest month of the year for the sales market, but it is the busiest month of the year for the rental market. During January, there were weekly examples of 60 to 100 prospective tenants turning up to rental inspections across the inner city.

Excess demand to this degree, clearly highlights the housing supply/demand imbalance – the inevitable upshot being rents will continue to rise in 2024 and into 2025. Many of the sales listings coming to market are investors selling out, which is a continuation of the same trend in 2023.

Given 'Buy and Hold' investors are barely active in the market, the rental pool is continuing to shrink at a time of surging migration. We have a full-blown housing crisis with no quick fix.

Additional Stock Levels in 2024

Sales listings were at historical lows in 2023. The lack of available stock acted as a support mechanism for prices. Less stock meant the active buyers were in competitive situations for the available stock, much to their surprise. There has been a strong amount of New Year stock hit the market so far, with on market listings well above the normal seasonal trend. Time will tell as to whether it is a temporary

surge of listings or something more systemic.

Less Buyers

Quality real estate is always in demand. In a boom, nearly all property types perform well, however, when a market begins to cool, there is a flight to quality from buyers.

We are seeing this now with some open inspections packed whilst others are near empty. Buyers will act for the right opportunity, but there won't be a broad-based frenzy to kick the year off that's for sure and certain.

Buyer caution around poorly built and poorly run strata schemes

Last month we wrote about insurance companies hesitancy around certain strata buildings. Over the summer, the NSW Building Commissioner David Chandler was extremely vocal in highlighting the number of poorly built developments across the city.

In January, Chandler said to the media, "When I started this exercise in 2019, I said that 15 to 20 per cent of developers were risky. That's proving to be the case as we work our way out of this,". The pattern of "risky" developers is well-established, he said. "Some of them, it's their business model ... They start a \$1 company, they build the project, get the sales in (and then disappear).

Given the city has built so many strata title properties in the past 15 years and we are experiencing a significant shortage of residential dwellings, this is an alarming situation for the Government to manage. For home buyers looking to purchase a strata

title property, reading the Strata Report, understanding the strata's history and the quality of the construction is imperative before signing a contract to purchase.

The prestige market could be impacted by the suspension of the Golden Visa

The Federal Government suspended the Significant Investor Visa at the beginning of 2024. A significant investor for the purposes of this visa is someone who invests \$5 million or more in the Australian economy. Once they achieved the Significant Investor status, they then enjoyed a smooth passage through to Permanent Residency, meaning they were eligible to purchase residential property in Australia.

Even if they spent as little as 40 days a year in Australia. In 2023, more millionaires moved to Australia than any other country. Given the state of global affairs, that's hardly surprising. The AUD has been hovering around \$0.65 against the USD, providing Significant Investors with substantial purchasing power.

It has been reported that 90% of those who took up the Significant Investor Visa were Chinese. Post COVID, the Chinese economy has struggled to restart. The official collapse and liquidation of Chinese property giant Evergrande was formalised in a Hong Kong court on January 29, 2024. The fallout and contagion issues from the \$450 billion collapse will become evident over the next few months. It is a reasonable conclusion to suggest the strength of the prestige property markets in Sydney, Melbourne and the Gold Coast in the past 2 years was aided and abetted by Chinese

money, whilst the broader property market battled against higher interest rates.

Chinese money in the prestige markets may not be so freely available in 2024 due to all the above issues. How that will impact prices remains to be seen.

Luxury lifestyle apartments are in demand

Downsizers and baby boomers will continue to rotate out of the family home into well located, lifestyle properties. Given downsizers are usually buying for less than they are selling for, they were a formidable buyer profile in the market last year and will be again in 2024.

Aspirational buyers who are upgrading with the assistance of a mortgage won't appreciate bidding against cashed up downsizers.

Inflation & Interest Rates

The next move in interest rates will almost certainly be downwards. The debate and speculation will begin in earnest, but the latest 4.1% inflation rate that was announced sets up a rate cut.

Retail sales and consumer confidence were both down in the latest data release, adding further leverage for the RBA to provide some relief at a time they see fit to do so. What will be interesting to watch is whether home buyers bake a rate cut into their behaviour when bidding on properties.

The property market is always a mix of dynamic factors pushing prices in different directions. The early signs are 2024 won't be any different.



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