



The great property stand-off

Buyers are keen to make the most of a stagnant market by grabbing a bargain but hopeful vendors are staring them down, writes **Carolyn Boyd**.

ON THE back of doubts about the economy and a general air of uncertainty, buyers hoping to snap up a bargain this spring or summer are not likely to find too many vendors compelled to slash their prices to rock-bottom.

That's the consensus among property experts, who say that although conditions are definitely weighing in favour of buyers, most vendors aren't being forced to sell.

This means while people with properties on the market are becoming much more realistic about pricing, most will be prepared to come down only so far.

"The market has been flat rather than falling," a senior economist with the Fairfax Media-owned Australian Property Monitors, Andrew Wilson, says.

"Coastal areas are still reflecting the Sydney experience, which is subdued. [But] some areas are performing better than others."

Wilson says the region around Newcastle is benefiting from the resources boom, while in the Tweed area, a stabilisation of the Gold Coast economy, which has been in the doldrums since the global financial crisis, is providing some relief.

"There's just a little bit more optimism around the Tweed region," Wilson says. That's not translating to "any great lift in activity" yet but has led to a more positive view of the future of the Tweed region.

The First National Byron Bay director, James Young, says classic

Federation houses on good-size blocks in the old part of Byron Bay remain in high demand and still sell for more than \$1 million.

"That market has been good," Young says. However, such properties are in short supply.

"The biggest challenge we've got in the next six months is people coming to the market because people aren't [selling] if they don't really have to," he says.

"They have this assumption that it's not a good time to sell."

Before the financial crisis and the ascent of the Australian dollar, Young says Byron Bay was buzzing. But these days, there are fewer tourists and "during the week, it can be pretty quiet".

The principal of The Edge real estate agency in Coffs Harbour, Jason Burnett, says the going has been tough at the upper end.

However, sales of cheaper three- and four-bedroom houses are "still performing pretty well". Buyers tend to be young families upgrading to something larger.

"We haven't seen a lot of first-home buyers for probably 12 months," Burnett says. For that reason, he doubts recent state government changes to remove stamp-duty exemptions from existing properties for first-time buyers will have any effect in the Coffs Harbour market.

In Port Macquarie, the local agency of McGrath Estate Agents has an air of confidence. "Forty-five per cent of our buyers are coming from Sydney," the principal of McGrath Port Macquarie, Todd Bates, says.

"Speaking to a number of other people in regional areas, they have noticed a distinct increase [in activity] on the same time last year.

On the south coast, the principal of Raine & Horne Mollymook/Milton, Ben Pryde, says the construction of Target and Woolworths stores means there is "pretty good vibe at the moment".

"Nobody is getting knocked down in the rush and it's still a bit subdued in the sense that there's a lot of stock out there," Pryde says. But he has begun to see a slow decrease in the number of days properties spend on the market.

Up the coast, the principal of Ray White Kiama, Michele Lay, says "there has been a delayed reaction to spring" from vendors who have held off selling but are now starting to put their homes on the market.

There isn't a sense of any fire sales up and down the coast, Wilson says. Rather, vendors are simply sitting on their hands, hoping for a better price.

For those dreaming of snagging a bargain, the director of SQM Research, Louis Christopher, has this advice: "You really need to make sure it really is a bargain ... you need to have a look at comparable sales."

Christopher predicts the downturn in coastal property to remain well into next year. "It possibly may not break until we see some type of [long-term] depreciation in the Australian dollar, which will encourage domestic and international tourists to these areas," he says.



Saving by upsizing

kilometres from the centre of town. There, they bought a five-bedroom double-storey house with three bathrooms and a swimming pool through Patterson Real Estate.

Although the couple will be mortgage-free, they will continue to work. Michelle has been offered a remote role with her employer and will work from home. She says Mark's skills are adaptable and he is confident of finding a job.

THE dream of being mortgage-free was one of the key motivators for professional couple Michelle and Mark Ireland to sell their home of 11 years in Alexandria and move to

Port Macquarie.

The couple, who are in their mid-40s, originally bought in the inner city to enjoy being close to the central business district. Mark used to walk to his IT job in the city and Michelle worked in Alexandria doing accounts.

But after more than a decade of hustle and bustle, the pair yearned for something a little quieter. Most appealing was the chance to sell their three-bedroom, two-bathroom terrace in Alexandria – where the median price is \$793,000 – and move to Port Macquarie, which has a median price of \$380,000.

"We wanted to get away from the cold and move somewhere a bit warmer, but not to Queensland, where you get caught with the humidity," Michelle explains.

The Irelands sold their terrace, through Teresa Natoli of Ray White Double Bay Group, put everything in storage and drove up the coast to begin their house hunt.

With a budget of about \$500,000, they narrowed the search down to the Lighthouse Beach area, on the southern edge of the mid north coast city, about eight



People aren't [selling] if they don't really have to.

James Young, Byron Bay agent

Price snapshot

Town	Median price	Annual change
Kiama	\$567,000	11.2%
Vincentia	\$480,500	6.9%
Byron Bay	\$710,000	3.6%
Port Macquarie	\$390,000	2.6%
Greenwell Point	\$325,000	1.6%
Coffs Harbour	\$365,000	1.4%
Ulladulla	\$345,000	0.9%
Mollymook Beach	\$387,500	0.6%
Kiama Downs	\$482,000	-4.9%
Mollymook	\$382,500	-5.6%

Source: Australian Property Monitors. Prices for the 12 months to August.





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Up and on ... clockwise from main, Michelle and Mark Ireland; their Port Macquarie find; the Alexandria house. Photo: Sasha Woolley