

# Experts argue over whether Sydney's heyday is over

by AB | 23 Sep 2015

The condition of the Sydney property market is a topic ripe for debate, with experts disagreeing about what the city's recent run of lacklustre auction results mean.

Over the past two weeks the city has recorded clearance rates of 72.1% and 73.1% and hasn't topped 80% in the last 11 weeks.

That is in stark contrast to earlier this year when the harbour city went 22 weeks straight with clearance rates above 80%.

Domain group senior economist Andrew Wilson told the Australian Financial Review on Monday that the September results are the city's lowest for the month in three years and Sydney could "be looking at a clearance rate below 70% before year's end."

In the opinion of Todd Hunter, founder of buyer's agency wHeregroup, the results are a vindication of a prediction he made earlier this year.

"For me the results back up the call I made in April that Sydney is done and it's done because of the fundamental changes we've seen about foreign buyers and APRA's changes," Hunter said.

"The writing was on the wall when they happened, but it's just taken a little while to show because properties were purchased before those changes and we had to wait for it all to settle down, but now you can see it," he said.

Hunter says the lack of interest from investors in the Sydney market also supports his line of thinking.

"We haven't bought in Sydney for a couple of years now, we've been looking in other areas for more affordable prices, the people looking to buy in Sydney at the moment are those looking to upgrade their homes and that's something that will always happen."

For Phillippe Brach, chief executive officer of Multifocus Properties & Finance, the recent results have come as a shock, but he thinks it's still too early to call time on Sydney.

"The results have been a bit surprising because in my opinion Sydney still has some good legs to it," Brach said.

"I do think we need to wait and at least see what next week brings however; statistics are something you need to look at over 10 or 15 weeks to see a trend, not just one or two."

Unlike Hunter, Brach said he is still dealing with investors keen to play in the Sydney market.

"For us right now, nothing has changed," he said.

"People still want to buy in Sydney and they will always want to buy in Sydney."