

Newsletter Update – Elanora Heights – August 2018

To think it was only three years ago I wrote this in response to people's concerns of a bubble bursting:

Many residents are asking me how long will this market last? 'Steady as she goes'

When asked this, I try to look at a broader perspective. I have worked in this industry locally for seventeen years and have completed my MBA so I feel comfortable to help answer this question. The real estate market can be viewed just like any other market and it is affected by both supply and demand.

Most seem to focus on the demand side, things such as the interest rates, the economy or more people moving into the area. I believe, the supply side of our market is equally, if not more important, right now. The supply factors include the number of properties available for sale and the reasons why they come to market.

I don't think anyone will disagree that we live in the best, most beautiful part of Sydney. Most don't want to leave it - I know I'm not. With families established and enjoying the area; kids in schools, great friends and fantastic neighbours, why would we? In our area, the usual scenarios are: downsizing, job relocation, divorce or changed personal circumstances.

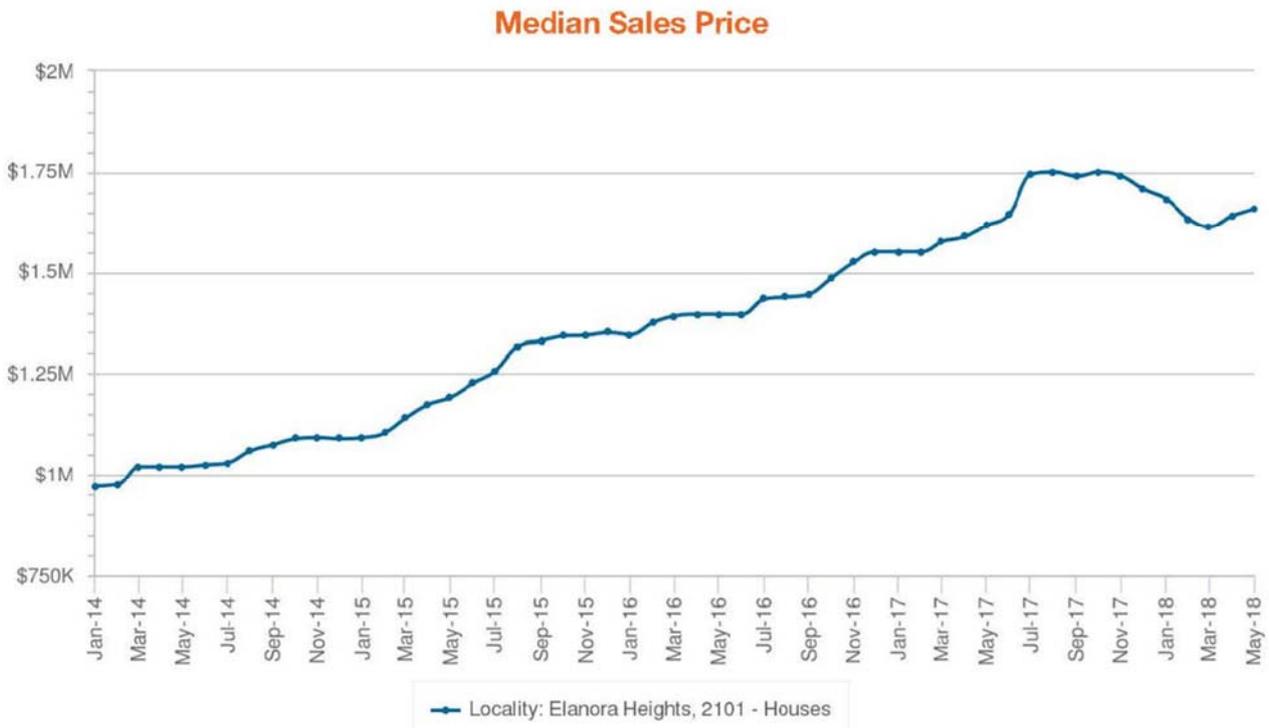
Elanora Heights is a low-density suburb with just under 1300 homes, known for its larger blocks and proximity to water and National Parks. So, if there are a limited number of properties to start with, and of those, only a few owners want to move; the potential number of properties to supply the demand remains low.

Interestingly, this is why I believe the local market will remain steady over the short to medium term. We are seeing very few owners thinking about 'cashing in' and bringing more homes to market to satisfy the pent-up demand. When asked residents' usually respond that "it's too expensive to move", so supply remains constrained and the property prices increase or remain stable.

What does all this mean? There may be increased buyer interest over the next couple of months as summer 'selling season' approaches but the local market will remain stable and favourable for those *few vendors* who have reason to sell.

So, what does the landscape look like now three years later in 2018? Is it terribly different?

Well there are even fewer properties coming to market now. So far this year there have been about 25 properties come to market. In a normal year it is in excess of 60, so we are two thirds of the way through the year and there are less than half the normal number of houses sold. This time the limited supply is because most potential vendors are saying that they think the prices have fallen too much and they might as well hold on. The reality is we are back to what is a normal market, the number of buyers has dropped but so has the number of houses so it is matched. Good property and appropriately priced properties are still selling and the graph below would indicate that prices are even heading back up slightly, potentially again, because there is so little supply.



Please feel free to call me anytime on **0418 952 240** or email [**john@drakerealestate.net.au**](mailto:john@drakerealestate.net.au)



See below the recent sales for the past quarter (June, July & August) in Elanora Heights:

MARKET REPORT - ELANORA HEIGHTS - RECENT SALES

Sale Price & Date	Address	Property Description	Photo
\$2,400,000 (approx) June	111 Woorarra Avenue	5 bed, 3 bath, 4 car Luxury 5 bedroom home on 2795 square metres. Expansive stunning lake, ocean and district views from nearly every room.	
\$2,305,000 August	8 The Greenway	6 bed, 4 bath, 2 car North East aspect set on 968 square metres. Luxury family home including guest accommodation on top of the main 5 bedroom contemporary home.	
\$1,775,000 July	15 Weeroona Avenue	3 bed, 2 bath, 2 car 3 bedroom home with nicely landscaped gardens. Potential to add 4th bedroom or create a self contained wing. Double carport and workshop. Land size: 816m ²	
\$1,465,000 June	5 Anana Road	4 bed, 2 bath, 2 car Sun-drenched North East aspect on 1207 square metres. Move in ready or further scope for improvements. Ocean views and dual living spaces.	
\$1,350,000 July	43 Iluka Avenue	3 bed, 1 bath, 1 car Classic family home on 828m ² - Single level home with plenty of scope to update or expand. Off street parking and child friendly yard.	

Information sourced from RP Data, realestate.com.au and domain.com.au

We have obtained all information in this newsletter from sources we believe to be reliable; however, we cannot guarantee its accuracy.