

# MARKETWRAP

CHRIS VEDELAGO

## Buyers more than a match for year's first real test

**Y**ESTERDAY saw the first big influx of stock for the year and buyers proved more than up to the task. The Real Estate Institute of Victoria reported a clearance rate of 85 per cent, despite the number of properties up for auction swelling to 678.

The result should ease any lingering doubts that confidence in Melbourne's property market was due to take a hit after the interest rate rose three times late last year.

Enough time has now passed to see the rises filter through to sentiment, and it's pretty clear that buyers are as willing and able to jump into the market as they were at the end of 2009.

This week Residex reported that Melbourne house values dropped by 0.78 per cent in January, but the group cautions that slides are common when the market slows over Christmas and the early new year.

Interestingly, the unit market suffered no such problem, with values surging 2.38 per cent over the month.

"What we could be seeing is that buyers, particularly investors, are recognising that affordability is now more in the unit market than in houses," Residex chief executive John Edwards said.

It is likely to take until the end of February or even March to figure out whether the house price dip is just seasonal volatility or a sign of things to come.

But, as we wait for confirmation, it is worth noting that since the auction market restarted in late January, agents and buyers' advocates have routinely reported sale prices on houses and units that have smashed reserves.

Yesterday was no exception. In Richmond, a two-bedroom apartment in the converted warehouse at 5/29 Gipps Street sold for \$851,000 off a reserve of \$600,000. Biggin & Scott said the basement unit, which had no off-street parking, attracted eight bidders.

Investors dominated the auction of 2/39 Morrah Street in Parkville, a two-bedroom art deco apartment that opened on a genuine bid that was already \$70,000 above its reserve. The property attracted five bidders and sold for \$676,000 — or 41 per cent above its reserve.

"We've certainly seen the opening of the market this year really bring the investors out," Thomson agent Jason Sharpe said. "The [apartment] was ideal for a first home buyer, but investors seem to have a little more gas in the tank."

An intense, five-way competition broke out over the freestanding Edwardian at 72 Bent Street in Northcote, which was declared on the market at \$790,000. Keyhole Property Investments reported that

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by the time it was over, the price for the four-bedroom house had skyrocketed to \$902,000.

In Watsonia, five bidders were responsible for ensuring the three-bedroom weatherboard house at 12 Linacre Street easily hit its reserve of \$485,000 to sell for \$608,000 through Buckingham & Company.

Eight bidders pushed the price of 9 Carlyle Street in Hawthorn East well past its \$1.2 million reserve to a sale at \$1,555,000. Fletchers said the three-bedroom 1920s villa, billed as a potential development opportunity, was on a 642-square-metre block.

The highest price result reported to *The Sunday Age* yesterday was for 14 Scotsburn Grove in Toorak, a six-bedroom house that Kay & Burton sold for \$7 million after declaring it on the market at \$6.8 million.

Elsewhere at the top end, Jellis Craig's auction of 10 Talbot Avenue in Balwyn opened right on the \$2 million reserve and six bidders took the four-bedroom house up to



Thomson Real Estate auctioneer Ryan Currie conducting the auction in Kensington yesterday.

PICTURE: LUIS ENRIQUE ASCUI

## Passed in but offers quick to appear

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**EVEN** on a bumper day for the auction market, not everything sells.

Take the case of 155 Eastwood Street in Kensington, a modern two-bedroom house that attracted only one vendor bid at \$490,000 before being passed in.

Thomson agent Ryan Currie said the

freestanding property had created solid interest during the campaign, a fair-sized crowd on the day, and a couple of later offers.

"We had three or four people steam towards us wanting to put offers in [afterwards]," Mr Currie said. "It's currently under negotiation at \$510,000... and the reserve is \$530,000."

a final sale price of \$2,615,000.

"It's a great market if you're selling, but it's a pretty tough gig if you're a buyer," Jellis Craig director Scott Patterson said. "A lot of people who

couldn't find a place last year are still in the market, and they've been joined by a fresh batch of buyers (in the new year)."

More than 970 auctions are

Records show the property last sold for \$312,000 in June 2005.

The Real Estate Institute of Victoria reports that the median house price for Kensington rose 15.2 per cent to \$618,000 in the year to the end of January. The suburb posted an auction clearance rate of 84.7 per cent over the same period.

scheduled for next weekend.

Call Market Wrap with your auction results, tips and comments on 9604 1188 between 3pm and 6pm on Saturday.