

YESTERDAY: OUTER IS WHERE IT'S AT

MORTGAGE belt suburbs drew some of the hottest auction action during the week, prompting one senior agent to claim it had never been stronger.

Victoria recorded a 86 per cent auction clearance rate yesterday compared with 68 per cent a year ago, albeit with less than half the auctions of Anzac Day weekend last year when there were about 350 auctions.

The last time the rate was 80 per cent or higher on a Saturday with 100 or more auctions was December 22, 2007.

Barry Plant Group sold all of its seven auction properties during the week. First-home buyer demand was so strong agent James Hatziomis expected this month's group sales to beat April 2008 by 25 per cent.

He claimed most homes listed for sale in Melbourne's outer suburbs were selling within 48 hours of listing apart from growing pain among buyers seeking big first-home government grants scheduled to end on June 30.

Barry Plant Group had more sales between January 1 and March 31 than in any other first quarter since 1999, Mr Hatziomis said.

"The outer belt is the strongest it has ever been," he said.

Jellis Craig agent Tim Picken reported a strong turn-out at the auction of a one-bedroom apartment at 439 Maysdon St, Hawthorn East, that sold for \$390,000.

And Fletchers posted a 100 per cent group weekly clearance rate.

A total of 18 bidders vied for the property, including a five-room home at 18 Winfield Rd, Balwyn North, which sold for \$604,000 in an auction contested by eight bidders.

What impact will it have on the neighbours?

MOST of us want to gawk at the neighbours before they move in. And by 2024, we'll have a whole suburb's worth of neighbours to check out in Melbourne's northwest.

This month, Premier John Brumby announced that a 128ha on a bend of the Maribyrnong River will become the city's 3354th suburb.

The disused Department of Defence munitions factory site has been off-limits to the public for a century.

By 2012 it will be "cleaned up" before it's transformed into a new suburb housing about 6000 residents, Mr Brumby says.

Victorians will buy the Commonwealth land at its market price. VicUrban will oversee its development. But housewarming parties could be decades away, critics claim.

State and federal governments have been talking about the land's sale since 2004 and Victorian does not expect the project to be complete for 10 to 15 years.

Nonetheless, it is time to review what we do know about Melbourne's newest address, which does not yet have a name and may, or may not, have its own postcode, VicUrban states.

What will this mysterious new residential face mean for home values in neighbouring suburbs?

WHAT?

An unnamed suburb is coming.

It will have a mix of homes

CAROLINE JAMES Key editor

and "significant" office space, according to Maribyrnong City Council.

Residential land will be sold with freehold titles.

Up to 3000 new dwellings including affordable houses and rental homes will be sold.

"It is anticipated that a variety of housing sizes and lot options will be provided, from detached housing to medium density and apartment living," VicUrban spokeswoman Jane Calvert says.

About 20 per cent of homes will be built for public housing tenants.

VicUrban will conduct an "extensive" community



It will be a boom for that area. It will raise people's awareness and it will have a positive rub off for neighbours by dragging more people to the area.

WHERE?

consultation process when creating a master plan for the project.

A competition may run to name the new suburb, Ms Calvert says.

The site is bordered by the Maribyrnong River to the north, east and west and Cordite Ave to the south.

It is about 10km from Melbourne's CBD and will offer about 3km of riverfront housing.

Some homes will have views of the city skyline and real estate hounds expect those to fetch \$1 million-plus.

Highpoint Shopping Centre

is one block away from the new suburb's southern border.

Neighbours include Essendon, Aberfeldie, Maribyrnong, Maidstone and Avondale Heights. Moonee Valley is to the north.

WHEN?

Building will start by 2012. If the former munitions factory site is deemed safe to inhabit.

WINNERS AND LOSERS?

Quite simply, the longer it takes to develop "suburb X", the bigger the win for

neighbouring homeowners, Real Estate Institute of Victoria president Adrian Jones says.

Asked how much prices will be affected, Mr Jones says it is too early to give specifics.

But demand for housing within 10km of the city, combined with the fact waterfront land is scarce in Melbourne, will only fuel median price growth for all Maribyrnong homeowners, he says.

The past year's strong median house price growth for the new suburb's neighbours is a sign of what's ahead, Mr Jones says.

Maribyrnong municipality's median house price was \$469,000 in 2006, up more than

6 per cent from \$441,500 in 2007, according to Australia Property Institute Victoria figures.

But of Melbourne's 32 municipalities, its median price is still in the lower half, which means the area still has a lot of room to move prices, says the REIV boss says.

"As long as we get a decent mix of residential, units and apartments, plus some retail, we should get it right," Mr Jones says. "It will be a boom for that area. It will raise people's awareness and it will have a positive rub off for neighbours by dragging more people to the area."

"If it is going to take that long (10 years), it will have an even bigger impact on an enormous impact on prices."

REIV PRESIDENT ADRIAN JONES

Lou Rendina, of Rendina Real Estate, agrees the new suburb will push up home values in neighbouring suburbs.

"It will increase the values of neighbouring suburbs like we saw with Edgewater estate (Maribyrnong), which was a bit slow for the first five years but has now really taken off," Mr Rendina says.

Mr Rendina estimates a standard block of riverfront land will set a buyer back by "upwards of \$800,000" and a 40sqm dry block — "a nice size for families" — will sell for \$350,000 to \$400,000.

"I would be pretty excited (if I was an existing homeowner in a nearby suburb)," he says.

"As long as we see enough low-density housing, prices will only move up."

Hocking Stuart director Scott McElroy says all Victorians will gain because it is cheaper to build a new suburb near existing infrastructure than to build one on the city's fringe.

"It makes sense. It is unused land. And the services are in place so it saves all of us, as taxpayers, money too," Mr McElroy says.

"I can't see any losers... only those who miss out on buying."

Real estate stalwart Tim Fletcher remembers when "you wouldn't have got them (residents) there (to Maribyrnong's riverfront) if you paid them".

"The public view was it was filthy, they expected to see cows floating past," the Fletchers director says.

But river clean-up efforts have changed public perceptions and the only "problem" will be making sure the new suburb has an appealing mix of housing styles, Mr Fletcher says.

"I'm not talking about creating a Tooraks of the west, but it is an exciting opportunity to build a quality suburb with well-built middle-range homes on acceptable blocks of land that really adds to the value of the overall area," Mr Fletcher says.

"We are starting with a blank canvas of land so this could go either way. We could seriously muck it up."