

Clearance rate climbs despite mixed signals

SURGING demand has pushed Melbourne's auction clearance rate to a new high for the year, increasing speculation that the local property market may be firmly on the road to recovery.

The Real Estate Institute of Victoria reported that 84 per cent of the 501 properties available this week were sold (the results of another 38 scheduled auctions were unreported).

REIV chief executive Enzo Rainondo said the property market had been "going from strength to strength" over the past month, with the sales level holding up — or even increasing — in the face of mounting stock levels.

"While people accept that we're not out of the woods yet (in terms of the economy), it's amazing what effect a little confidence has had for the property market," he said.

The peaking clearance rate comes even as the market received a series of mixed economic messages this week.

The latest figures from the Australian Bureau of Statistics show that first home buyers have increased their ownership stake in the housing sector for the sixth month in a row, accounting for 28 per cent of home loans in April, up from 8.4 per cent since the boosted grant was introduced last October.

While the average loan size nationwide fell \$2500 to \$283,400 in April, it is still \$22,500 higher than before the boost. In Victoria, the average loan size was \$263,300, up \$4200 in one month and \$13,900 since the boost began.

These high lending levels are all the more troubling in the face of the Commonwealth Bank's decision to independently raise its home loan interest rate this week, a move the other banks are likely to follow.

The ABS also announced that the national unemployment rate rose by 0.2 per cent to 5.7 per cent in May, which is now 1.5 per cent higher than at the same time last year.

Victoria, which experienced a 0.2 per cent increase to 5.9 per cent last month, posted the second-highest



Smart tactic: stepping in with a late rise can put off other bidders.

PICTURE: REBECCA HALLAS

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unemployment level in the country.

In Surrey Hills, an \$80,000 bid failed to knock out the competition for the three-bedroom Federation house at 19 Sunbury Crescent. Fletchers said the rise was from \$630,000 to \$710,000 — trumping the market price by

\$20,000 — but the price increased another \$15,000 to make a sale at \$725,000.

The single-fronted weatherboard at 62 Adam Street in Burnley sold for \$704,500, with at least five bidders pushing the price \$104,500 above the reserve. Biggin & Scott had advertised the two-bedroom house at \$530,000 to \$580,000.

Six bidders took the three-bedroom townhouse at 49 Clifford Place, Clifton Hill, from an opening at \$680,000 to a sale under the hammer

at \$786,000. Collins Simms said the reserve was \$755,000.

Barry Plant Real Estate sold the three-bedroom family house at 69 Sevenoaks Road in Burwood East for \$540,000 — nearly 26 per cent above its reserve — thanks to six bidders. Chief executive Barry Plant said money from the state trustee's auction (minus costs) would be donated to the Peter MacCallum Cancer Centre.

The highest-priced result reported to *The Sunday Age* yesterday was for 32 Grange Road in Toorak, a four-

Revived bidder seals deal

A LAST-minute rise of \$2500 from a bidder who was thought to be finished clinched the deal for 502/88 Beach Street in Port Melbourne, a two-level, three-bedroom apartment that sold for \$1,642,500.

Cayzer Real Estate opened with a vendor bid on the advertised price of \$115 million plus, and at least five bidders quickly pushed it above its estimated reserve of more than \$1.2 million.

"Towards the end it was fought out by two (parties) . . . but there was a last-minute entry and the people who bought it had actually dropped out earlier," said Cayzer agent Andrew Turner. The property's capital growth is up nearly 149 per cent since it was purchased for \$660,000 in mid-1997.

The Real Estate Institute of Victoria reports the median unit/apartment price for Port Melbourne rose 9 per cent to \$575,000 in the year to February. Melbourne's metropolitan apartment price grew 2.3 per cent to \$733,500.

CHRIS VEDELAGO

bedroom 1930s house that sold for \$4.16 million. Jellis Craig said strong competition between five bidders meant the vendors avoided taking a substantial loss on the sale, with yesterday's market price set at \$3.5 million after the property was bought in August 2008 for \$4.15 million.

Nearly 600 auctions are scheduled for next weekend.

Call Market Wrap with your auction results, tips and comments on 9604 1888 between 3pm and 6pm on Saturday.