

Market gains confidence

Clearance rate best in 18 months

Peter Familiari

MELBOURNE'S auction market recorded its highest clearance rate since the peak of the property boom 18 months ago.

Buyers shrugged off the economic gloom, snapping up 85 per cent of the properties up for auction.

Of the 527 properties that went under the hammer, 349 sold and 79 were passed in.

This time last year, agents had 613 properties for auction.

Tim Fletcher, CEO of Fletcher's Real Estate said the results indicated that confidence had returned to the market.

"When you get clearance rates of percentages up to the mid-80s they don't get much better than that," Mr Fletcher said.

Mr Fletcher said he believed the turnaround was driven by good old-fashioned faith in bricks and mortar as a good investment.

"The market stalled in the last quarter of last year as people didn't know what was going on in the world and certainly didn't know where to invest their money," he said. "But



Top dollar: 32 Grange Rd, Toorak, fetched \$4.16 million.

since Christmas the market has been gaining confidence and buyers want to invest in solid bricks and mortar."

Mr Fletcher attributed the resurgence to low interest rates and vacancy rates. Investors were also returning to property, lured by the low vacancy rates and the promise of a good rental return, he said.

"The Government's stimulus

package is also boosting the number of property sales particularly in the first-home buyer's market," Mr Fletcher said.

The apartment market is also strong. "Sales have been good since the middle of January and that's the message we're also hearing from other agents," an Australand spokesman said yesterday.