

Sellers rush to auction in cool market

Holly life

A COOLING property market has not put off winter sellers, with a record number of homes for auction next weekend.

REIV spokesman Robert Larocca said 1000 properties would be auctioned this coming Saturday and Sunday.

"This is a record for Melbourne in winter ... the sheer number of properties has affected the clearance rate," he said.

The clearance rate for the Queen's Birthday weekend was 77 per cent, up from last week's low of 70 per cent, but down on highs of about 85 per cent earlier this year.

Mr Larocca said more expensive areas of Melbourne had been affected by a reduction in demand, while there was less change in the lower to middle market.

Tim Fletcher, of Fletcher's Real Estate, said the market had slowed but was still strong.

"I think the heat has come out of the market a bit, but it needed to because in my opinion it was overheated for a few months there.

"This is not the floor falling



Bidding their time: sellers Suesan and Jason.

out of the market, I think we are just seeing a more responsible market, and I don't think it will change much between now and Christmas."

Mr Fletcher said continuing clearance rates of between 68 and 75 per cent would indicate "a very healthy market".

JPP Buyer Advocates principal Ian James said inquiries to his company had increased, which was unusual for June.

He said the volatile share-market was forcing investors to look elsewhere.

"We have a lot of investors

looking for properties, a lot of people aren't willing to put their life savings in the stock-market at the moment."

Mr James said a physical shortage of properties was likely to see prices continue to increase for the next 4-5 years.

Suesan Mackay and Jason Wainwright are selling their modern one-bedroom unit in Burnt St, Nunawading, at auction on Saturday.

"We had been thinking about selling for a while but we thought we should get in now, before interest rates went up too much higher," Ms Mackay said.

"I think anyone thinking about selling in the next year would probably do it now rather than wait."

She said most of the interest in the property had been from investors.

"Once we've sold, we'll wait and see what happens with the market before we buy again," Ms Mackay said.

Consumer advocate Neil Jenman still believes the market is overpriced and unsustainable.

"The inevitable must occur but no one knows when. We're in a boom now, we have been in boom for about 15 years, but the gloom must come."