

MARKET REPORT

INVESTORS TAKE CENTRE STAGE

YESTERDAY'S sunny morning weather left plenty of Melbourne vendors with that warm feeling that only a bonus hundred thousand dollars can bring.

The auction clearance rate was still well down on the same time last year at 72 per cent, but had improved from 68 per cent last week.

Agents reported sales at up to \$420,000 above reserve in a day where developers and investors took centre stage.

Their stories, coupled with reports of phenomenal quarterly growth, should be enough to thaw the "cooling" tag attached to the market in recent weeks.

Fletcher's Tim Heavyside described yesterday's auction results as "extraordinary", particularly the sale for \$1.72 million of a ramshackle house on 797sq m in Peel St, Kew.

"It was well and truly on the market at \$1.3 million so that just shows the appetite among developers for decent size blocks," Mr Heavyside said.

It was a similar story at 55 Avoca St, South Yarra, where buyers turned up hoping to secure a flat for about the same money as an identical flat in the same block that went for \$695,000 two months ago.

JPP Buyer Advocates' Catherine Cashmore said two bidders went "hammer and tongs" before the fat lady sang at \$802,000.

Rendina Real Estate's Lou Rendina said it was more of the same across town at 5 Pentland Ave, Ascot Vale.

"The vendors were offered \$960,000 before the auction, but the prospective buyer wasn't prepared to go up another \$20,000 so the property went to auction and ended up at \$1,072,000, which is nearly an extra \$100,000," Mr Rendina said.