



Sunday Age

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TRADITIONALLY, AUCTION NUMBERS
DECLINE IN WINTER.

Rise in reports of no-bid auctions

Most vendors seem to be finally getting the message that Melbourne's property market has turned — and not in their favour.

Stock levels are forecast to decline in July, which isn't surprising in the light of growing reports of no-bid auctions and lacklustre sales results, especially for second-tier and lower-quality properties.

There's an average of 570 auctions scheduled for each of the next three weekends, well below the record number of about 800 a week seen in June.

That stock levels have been running so high — especially when they should have been tapering off with the onset of winter — is a sign of just how strong vendor confidence was just a short while ago.

The big question is whether this decline in supply will stabilise or improve the auction clearance rate, which has fallen 22 percentage points from a high of 87 per cent in the past three months.

Historically, a "well balanced" auction market sees a clearance rate of between 65 and 75 per cent.

At that level, vendors can be confident enough about demand and prices to put their properties up for sale. Buyers, on the other hand, are freer to pick and choose from a decent selection of stock and can reasonably expect a fair shake at buying something. In that kind of market, which is the market that Melbourne is now becoming, quality properties will still sell, and sell well.

The Real Estate Institute of Victoria says that 65 per cent of the 773 properties up for auction this week were sold.

In Brunswick, the free-standing Victorian terrace house at 30 Hanover Street

opened on a vendor bid of \$550,000 and was then passed in on another vendor bid at \$560,000. The two-bedroom property, which had been quoted at \$550,000 to \$605,000, reportedly had a reserve of \$610,000.

"There's a lot of spectators out there. It's like they don't know what to do," said Jason Wier of buyers' advocates Real Estate Angel. "If no one's bidding, then no one is bidding. If someone bids, they might start. It's a real watching game at the moment."

Later negotiations secured a below-reserve sale for 41 Hunter Street in Richmond, which was passed in after a single genuine bid at \$860,000. JPP Buyer Advocates said the vendors were seeking \$950,000 but got \$900,000. The property was quoted at \$850,000-plus.

The single bidder that made a play for 21c Balmoral Avenue in Brunswick

secured the right of first negotiation after the two-bedroom brick house passed in on a genuine bid of \$610,000. Quoted at \$600,000 to \$650,000, the property sold through later negotiations for \$640,000.

There were also some stunning results to come through yesterday, reflecting the underlying strength of demand for certain types of property.

The three-hectare block of vacant land at 38 Browns Road in Keilor sold for \$975,000 off a \$500,000 reserve. Caine Real Estate said the property, which can only have a single home under planning rules, attracted eight bidders who used more than 120 bids.

Six bidders drove the sale price of 17 Spring Street in Prahran to \$1.06 million

after it was declared on the market at \$910,000, according to VIP Buyers Advocates. The free-standing two-bedroom Victorian was quoted at \$850,000 to \$900,000.

Out in Blackburn, a three-bedroom brick veneer house quoted at \$780,000 to \$850,000 sold for \$980,000, thanks to competition among six bidders. Hocking Stuart said the property at 37 Jeffery Street hit its reserve at \$880,000.

At the top end, the four-bedroom Edwardian house at 53 Linda Crescent in Hawthorn sold for \$2.81 million after being declared on the market by Jellis Craig at \$2.25 million.

The house was previously sold for \$1,015,000 in May 2001.

CALL MARKET WRAP

With your auction results, tips and comments on 8667 2647 between 3pm and 6pm on Saturday

856 Brunswick Street North, North Fitzroy

Passed in

AGENT NELSON ALEXANDER

ASKING PRICE \$1.15-\$1.25 million

THE silence was deafening at the auction of this property in North Fitzroy, a renovated single-fronted terrace that should have had buyers fighting to get it – and, three months ago, probably would have. The three-bedroom property opened on a vendor bid of \$1.15 million but, within minutes, it was nearly passed in twice

by Nelson Alexander without so much as a whisper. "I haven't seen so many [people] gathered to do so little," auctioneer Tom Roberts told the 60-person crowd. After a break and, with no one willing to secure the right of first negotiation with a genuine bid, it passed in at \$1.15 million. The property was quoted at \$1.15 to \$1.25 million, and the reserve is \$1,295,000. The Real Estate Institute of Victoria reports that the median house price for North Fitzroy rose 29.7 per cent to \$917,500 in the year to March.

CHRIS VEDELAGO

NORTH SOLD \$841,000



706 Drummond Street, Carlton North

AGENT COLLINS SIMMS

ASKING PRICE \$750,000-\$825,000

Calm bidding between two men saw this two-bedroom 1880s terrace with a central bathroom reach a sale price of \$841,000. An initial vendor's bid of \$700,000 elicited no response. But a second vendor's bid of \$770,000 was surprisingly trumped by a genuine bid of \$780,000. A second bidder declared his interest with a rise of \$5000 and the crowd of 40 watched as the two buyers engaged in a bidding war that took the price to \$830,000, when it was declared on the market. After 17 bids, the property eventually sold to the first bidder.

JAYNE D'ARCY

SOUTH SOLD \$935,000



108 LUDSTONE STREET, HAMPTON

AGENT CENTURY 21

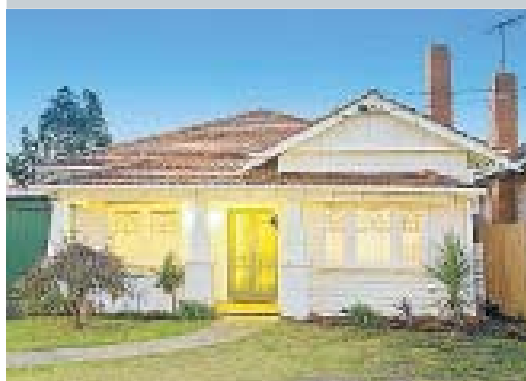
ASKING PRICE \$880,000-\$960,000

One would-be buyer put up an entertaining fight in a fast-paced auction for this three-bedroom brick home on an 800 sq m block, but walked away empty-handed. Opening the bidding at \$625,000, he kept the action going, competing with four other buyers in the 40-strong crowd. The original bidder fought until the very end, bowing out at \$932,500, when his wife said, "Let the young people have it" – referring to the fifth buyer who stepped in only at the \$902,000-mark and eventually bought the property at \$935,000.

JOANNE BROOKFIELD

EAST SOLD \$987,500**75 ABERDEEN ROAD, PRAHRAN****AGENT** BENNISON MACKINNON**ASKING PRICE** \$880,000-\$950,000

Three years ago, the agents said, this street had its first million-dollar-plus sale of a two-bedroom, single-fronted house. Yesterday, this three-bedroom, free-standing early Victorian came close. An opening bid of \$850,000 was rejected by auctioneer Oliver Bruce, who asked for \$880,000. The same bidder obliged, but when he bowed out at \$900,000, a young couple and a single woman stepped into the fray, making a total of seven bids each. The property was put on the market at \$960,000. In the end, the woman outbid her competitor by \$2500.

JOANNE BROOKFIELD**WEST SOLD \$622,000****10 DONGOLA ROAD, WEST FOOTSCRAY****AGENT** HOCKING STUART**ASKING PRICE** \$520,000-\$570,000

It was a slow start to the sale of this four-bedroom Californian bungalow, with a vendor's bid of \$520,000 looking set to be the only quote until the eventual winner began an aggressive bidding war with a genuine bid of \$540,000. Three buyers made a total of 37 bids in front of a crowd of 35, with the property being declared on the market at \$590,000. It eventually came down to \$500 rises between two interested couples, with one pair pulling out at the \$620,500 mark and the first bidder then securing the property for just \$1500 more.

JAYNE D'ARCY



PICTURE: LUIS ENRIQUE ESCUI

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