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Market moves confirm rises

ELECTION campaign aside, Melbourne's real estate market was buzzing with its own news after the release of the June quarter median prices.



According to the REIV, Melbourne's median house price increased 8.5 per cent to \$559,000, with demand in the more affordable suburbs driving the price growth.

None of the top 20 performing suburbs had a median house price above \$ 1 million. The biggest increases were recorded in Dandenong, Rosebud, Broadmeadows, Footscray and Glenroy.

As if to demonstrate the market's strength in these suburbs, the weekend's 525 auctions saw a rise in the clearance rate to 72 per cent, compared with the 67 per cent achieved last week.

The suburb with the most listings on the weekend was Frankston, where all 24 properties up for auction sold.

Noel Jones group chairman Adrian Jones believed most properties were now selling within 5 to 10 per cent of their reserve price and runaway auctions were less likely than three months ago.

Advantage Property Consulting's Frank Valentic noticed a return of investors to the market, such as the underbidders at 14 Briggs Street in Caulfield — a block of six flats which went for \$ 2.72 million, \$ 320,000 over reserve.

He said good-quality family homes were also being snapped up, with 5 Pentland Street, Ascot Vale, selling for \$ 1,072,000, above a \$970,000 reserve.

Despite the strength in those suburbs, top-end suburbs such as Brighton, Prahran, Toorak, Hawthorn East and South Yarra recorded a drop in median prices over the quarter. South Yarra, with the biggest drop — 26.4 per cent — nevertheless had a strong auction at 10/55 Avoca Street.

Unit 4 in the block sold in May for \$695,000 but number 10, which was on the market at \$660,000, had two bidders push it to \$802,000.

“ This was an amazing auction and flies in the face of anyone suggesting demand has softened or the market is cooling,” JPP buyer advocate Catherine Cashmore said.

Another competitive auction at 23 Sunburst Avenue in Balwyn North had seven bidders push the sale to \$1,567,000, according to James Buyer Advocates.

Another solid turnout of six bidders at 12 Lennox Street, Hawthorn, finished at \$1.301 million after bidding opened at \$900,000.

One of the year’s fastest-growing suburbs, Mitcham recorded a quarterly median house price of \$652,000.

But that figure was nowhere near the auction of 33 Halls Parade on the weekend, which went under the hammer for \$1.1 million with two bidders and a reserve of \$995,000.



Matthew Scafidi of Woodards Blackburn said the buyers had been looking in Blackburn but moved their search to the more affordable Mitcham, where for the same price they could get a renovated house on 1208 square metres.

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