

Article rank | 12 Jul 2010 | Herald Sun | Karen Collier

Good time to buy

“Concentrated competition is the biggest factor in pushing up prices. Now instead of seeing five, six or seven bidders . . . there are often just two or three”

– CATHERINE CASHMORE

HOME buyers are in the bargaining box seat as record numbers of properties go under the hammer for winter.

Stubborn hopefuls willing to brave the chill are competing against fewer bidders and paying more realistic prices.

And those who don't buy on auction day are in a strong negotiating position to strike a deal on passed-in properties.

JPP Buyer Advocates' Catherine Cashmore said the tables had turned for some buyers.

“There's more stock on the market making up for a shortage earlier in the year, but a natural lull of buyers because people tend to hunker down in the colder weather,” Ms Cashmore said.

“Concentrated competition is the biggest factor in pushing up prices.

“Now instead of seeing five, six or seven bidders in a crazy auction there are often just two or three.”

Ms Cashmore said houses in Yarraville and two-bedroom apartments in St Kilda and East St Kilda were in healthy supply. But competition was still fierce for limited beachside properties in pockets of Seaford and Frankston.

Real Estate Institute of Victoria president Enzo Raimondo said buyers were in the best position to negotiate for 18 months because of the amount of homes on the market and low clearance rates. Some vendors needed to adjust their asking price in line with market trends, he said.

“The residential market is much more balanced, with purchasers less likely to be confronted with homes selling for unexpected prices,” Mr Raimondo said.

Of the 528 Victorian auctions at the weekend, 167 were passed in — including 96 on vendors' bids.

The clearance rate was 68 per cent, down from 85 per cent this time last year.

Printed and distributed by NewspaperDirect | www.newspaperdirect.com, US/Can: 1.877.980.4040, Intern: 800.6364.6364 | Copyright and protected by applicable law.