

Melbourne home buyers are ready to dig deep for large family homes in the inner city

Apr 10, 2016

Chris Tolhurst



Chisholm& Gamon auctioneer Torsten Kasper takes bids for 13 Foam Street, Elwood.

Buyers dug deep to purchase larger homes on Saturday as four-bedroom houses and medium-to-large land allotments attracted hefty competition, especially in inner Melbourne.

Housing stock levels continue to be constrained in many parts of the city. It's making some buyers go the extra mile to secure properties and contributing to Melbourne's run of solid-to-strong auction clearance rates.

On Saturday, the Domain Group posted another buoyant clearance rate of 76 per cent from 566 reported auction results. There were 127 unreported results.

But prospective buyers may soon see the pendulum swing their way. Listings, particularly of family homes, will spike from this week as school holidays end and vendors make the most of a clear run of uninterrupted auction dates after Anzac Day on April 25.

Properties with four or more bedrooms almost always attract a premium in areas within 12 kilometres of the CBD. There are simply fewer of them compared to cottages and small houses.

Demand for spacious houses is on the rise for other reasons, too.

More families are choosing to reside in the inner ring, which restricts supply. Downsizers also target free-standing properties close to the city, and multi-generational homes are very popular with some ethnic groups.

[Tap here for Saturday's auction results.](#)

[Tap here for the Market Snapshot.](#)

Inner-Melbourne agents say 500- to 600-square-metre blocks are garnering substantial interest from owner-occupiers who believe cheap home loans and a stable jobs scene make it a good time to upgrade.

Carlton North-based buyer advocate Paul Osborne, of Secret Agent, said families were more prepared to consider smaller land sizes.

He said families looking at such areas as Princess Hill or Fitzroy North were prepared to have a small backyard if a park was nearby: "You do the same thing in South Yarra: if you are near the Botanical Gardens you trade that off against having a really tight block."

Mr Osborne said shortages of family accommodation in the inner city were compounded because fewer young professionals, who'd bought small houses and flats in the inner ring, were moving out of these areas once they had children. "They do not want to move – they want to raise their family in that same environment."

In the city's west and south, agents say their best auction results are coming from properties that offer "extra land".

On Saturday, Hodges auctioneer Campbell Cooney took bids from eight parties for a three-bedroom weatherboard on 768 square metres at 9 Ivy Street, Hampton.

He said another 12 prospective buyers attended the auction but did not bid. The property sold for \$1.63 million (\$330,000 above its reserve) to a family intending to rebuild.

Nelson Alexander sales director Arch Staver said listings of four-bedroom homes in inner Melbourne often attracted "passive buyers".

"They are not actively attending open for inspections, they're not on data bases or asking to be emailed about what's coming up," he said. "They come onto the market when an appropriate house comes onto the market.

"Sometimes they don't even know that they need more space, but when a four-bedroom house comes up it always attracts interest, particularly if you have a decent block."

Jellis Craig's Craig Shearn said there was a significant shortage of houses between \$1.5m and \$2.5m in the inner city. "It is probably the strongest part of the market," he said.

There are 765 auctions scheduled for next weekend.

Mr Shearn held an open for inspection at 11 Tower Avenue, Alphington – an art deco house with a large modern extension that goes to auction next Saturday.

He said of the 25 groups that inspected, 23 were thirtysomething couples with between one and three children. Ten of the couples had babies.

“I’ve sold in Clifton Hill and surrounds since 1997,” Mr Shearn said. “People don’t want to leave any more; they are prepared to put up with the travel and the public transport commuting if kids need to go to school in Ivanhoe or the eastern suburbs – they still want to stay put.”

Mr Osborne said any property with four bedrooms attracted strong demand in the inner city.

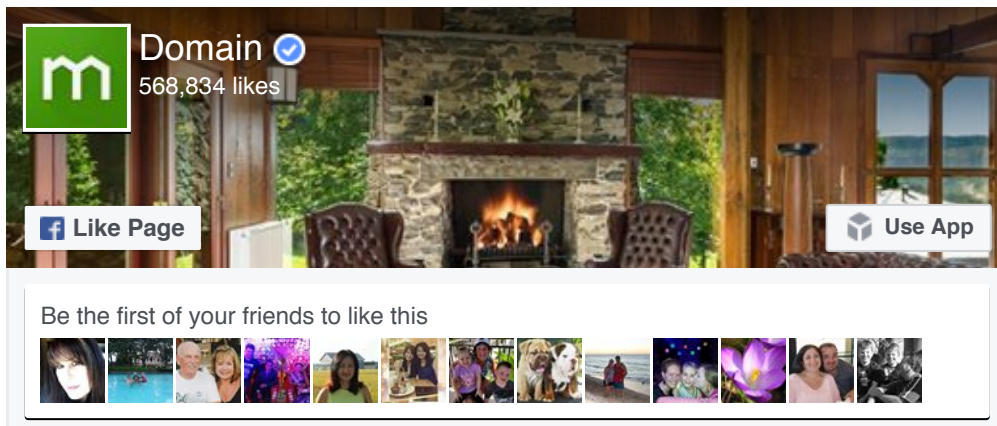
“You can accommodate a family of four quite easily and, possibly, five,” he said.


“Families are trying to get as close as they can to the city and they are more open to smaller land sizes.”



The Residences at West Side Place
Melbourne Apartments from \$464,800


[Request Details](#)



Domain 
568,834 likes

[Like Page](#) [Use App](#)

Be the first of your friends to like this



WE RECOMMEND



In defence of Sydney's least liveable suburbs



Time capsule house makes \$32,000 a year a year for 30 years



Could this be the coolest building in the world?