

Second time's a charm for Melbourne property sellers

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Soaring Sydney and Melbourne house prices

Dr. Andrew Wilson walks through the December's Domain House Price Report.

Sellers held the ace cards at most auctions in Melbourne on the weekend, but real estate agents say a large spike in new listings will hit the market in late-February and March, giving buyers much more choice.

Several properties that had failed to sell at auction last December were re-offered to the market at the weekend. They achieved or surpassed their reserves in a clear sign there are more active buyers than sellers.

Pent-up demand from last year is flowing into this year's market. If a property does not sell for some reason, it is most unlikely to be heavily discounted.



The art deco house on Balmoral Avenue in Strathmore sold for \$1.5 million after failing to sell for less last year.
Photo: Rendina

Rendina agent Leigh Chant said the market seemed to be “quite buoyant”.

She sold a renovated art-deco house at [24 Balmoral Avenue, Strathmore](#), for \$1.5 million.

The property sold just before it was due to go under the hammer on Saturday. Three buyers competed in negotiations for the four-bedroom home, which had been passed in for \$1.45 million at an auction in late December.



Relief for buyers: stock levels have “shot right back”. Photo: Chris Hopkins

An unrenovated cottage at [436 Canning Street, Carlton North](#), also failed to sell (with \$1.3 million to \$1.4 million expectations) in a December auction campaign.

But the Nelson Alexander-listed property – which needs a \$700,000-plus makeover, according to buyers’ advocate Paul Osborne from Secret Agent – sold late last week before its new February auction date for more than \$1.6 million.

Held-over or “stale” properties typically sell at a discount in a new year.

“This year owners have got their reserves: that is a signal there is a lot of health in the market,” Mr Osborne said.

Entry-level homes were hot targets at the weekend.

In Clifton Hill a crowd of about 80 people saw a young couple bid confidently, beating several investors to buy a 1970s unit at [4/18 South Terrace](#). It was sold for \$595,000 by Jellis Craig after being declared on the market at \$577,000.

The 2017 market officially kicked off a week ago but the few properties offered then – just 45 – were top-heavy with holiday homes.

The results reported to the Domain Group on the weekend – a 78.5 per cent clearance rate from 132 reported auctions – provide a more accurate picture of the state of play.

There was a big drop-off in listing volumes last year.

Jellis Craig CEO Nick Dowling said listings had been expected to return slowly to normal levels but instead had “shot right back”.

“The buyer pool is going to be tested: March is looking huge volume-wise,” Mr Dowling said. “All of my offices are saying they are really happy about the level of stock they have coming through in late-February and March.”

Agents failed to report the results of 50 auctions held on Saturday, an indicator that some buyers are refusing to pay above the odds.

Miriam Sandkuhler, of the buyers’ advocate group Property Mavens, said compromised properties had struggled to sell.

She said a lacklustre auction of another relisted property at [29 Newcastle Street, Yarraville](#), saw three bidders vie for the updated, south-facing weatherboard Victorian home on a 166-square-metre block.

The Hocking Stuart sale had to be kick-started with an \$850,000 vendor bid and achieved a final sale price of \$890,000 after the house was passed in to an investor at \$877,000. “The vendor must have been relieved to sell it,” Ms Sandkuhler said.

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