

RESIDENTIAL MARKET REVIEW (JAN – MAR) By Robert Clements

2010 has come out of the blocks in great form with buyer interest continuing to surge.

After the Global Financial Crisis (GFC) the property market in Victoria rebounded very quickly following the short term derailing of confidence. The residential market has continued to outperform with multiple bidders at auction and Clements Estate Agents recently recorded six bidders for a main road property. This is rare in the selling environment, although this example demonstrates that the right mix of marketing was planned then executed perfectly.

The post-GFC market has essentially recovered from heavy falls in property values of up to 30% in some south eastern suburbs, and 10-15% in the inner areas of Melbourne.

Clements Estate Agents are pleased to announce the opening of our a new office a 459 Toorak Rd, Toorak, and that we successfully sold all Auctions this year. The two most recent sales firstly 32 Bruce Street, Toorak for an undisclosed amount over auction day reserve, and an equally pleasing result for a very modest 1 bedroom house in Abbotsford well over \$500,000.

In February this year total Victorian sales over one weekend exceeded \$1 Billion for the first time on record, and significant sale prices continue to be recorded at the top end during March. This is certainly a further sign of full confidence in the market returning. The prestige end had tightened up over the GFC with very little on offer throughout, however in areas like Toorak, South Yarra and Portsea, the opposite could now be said.

Auction clearance rates overall have remained above 80% most weeks, much the same as 2009, some middle-outer suburbs recording 100% clearance rates. This demonstrates the evenness across the Melbourne metropolitan market.

Interest rates have been increased by the Reserve Bank of Australia in April again with the cash rate now at 4.25%. Stock volumes have increased also by as much as 50% compared with the same period last year. This will assist buyers in the market looking for real estate.

The rental market remains tight with expected increases this year after a fairly flat 2009. At the time of writing Clements Estate Agents has a 0% vacancy rate recorded, and we are currently seeking more quality rentals to meet demand.

If you require assistance with your real estate please do not hesitate to contact me.

Regards

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