

## RESIDENTIAL MARKET REVIEW (MAR – JUN 2010) By Robert Clements

After a number of interest rate rises initiated by the Reserve Bank of Australia, the last being in May 2010, the cash rate now sits at 4.5%. The residential market was considered to be on another unsustainable climb after Auctions kicked off in February. The interest rate increases have had the RBA's desired effect by taking the heat out of the market. Subsequently auction clearance rates have dropped from the low-mid 80% range to a still healthy 70% range, according to REIV auction results.

Clements Estate Agents have maintained a pleasing 100% clearance rate for the whole year and continued to achieve significant sales across areas such as Toorak, Richmond, Abbotsford and Collingwood.

Now more than ever though vendors should expect detailed feedback, regular guidance and perfectly executed strategies to ensure their success.

This recent drop off in clearance rates re-enforces the important considerations vendors should explore such as an agents experience over years and skills across the residential market. It always worth posing the question, who will handle my sale and what experience do you have in changing times.

On the flip side the Clements team is still seeing excellent numbers at open houses, solid enquiry and strong bidding at auctions. Our individual management of sale campaigns has ultimately been one of the major benefits we have routinely delivered to vendors since we started in 2003.

The rental market still remains tight this year with expected increases after a fairly flat 2009. We are seeing the take up of available rentals increasing sharply in recent months, one example was in Richmond where we had 55 people at the front door when we arrived and received multiple applications later. At the time of writing Clements Estate Agents had only one property vacant 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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