

## Property Buyers keep Sydney market hot

# \$100m of units sell in 2 hours

Mercedes Ruehl

Luxury apartment developer Fidcorp sold \$100 million worth of stock in two hours over the weekend, defying predictions of an autumn and winter cool down.

The \$145 million development, known as Eve Apartments, is Fidcorp's first outside of Melbourne and is located in Sydney's inner-city suburb of Erskineville.

The developer sold 141 apartments off the plan on Saturday. Two-bedroom, two-bathroom apartments were selling for about \$800,000.

Fidcorp founder Paul Fridman said more than 5000 parties had registered for the project.

"You wouldn't see this in Melbourne and in fact never in 17 years have I seen anything like this," Mr Fridman said.

"My gut instinct is there is more demand than supply and it will continue to be that way for some time."

Demand from buyers in Sydney was strong across the board. The preliminary auction clearance rate was 76.2 per cent for 1075 auctions, compared with 69.9 per cent the week before, according to initial figures from RP Data.

Despite lower clearance rates over the

last month, the market still appears "remarkably" strong heading into winter, RP Data housing market specialist Robert Larocca said.

"It was quite a stunning increase in stock levels this week," Mr Larocca said.

"To have 1000 auctions both in Sydney and Melbourne suggests strong seller sentiment. We tend to see a reduction in stock through the winter period and that is not entirely apparent right now."

A preliminary auction clearance rate of 66.1 per cent was recorded last week across 2714 auctions in Australia's capital cities, according to RP Data.

This compared with 66.6 per cent the week before.

Mr Larocca said demand from buyers was sufficient to ensure that the clearance rate was unaffected by the more than 50 per cent rise in homes on offer at auction compared with this time a year ago.

"This is also a sign of a relatively healthy economy," Mr Larocca said.

Melbourne's initial auction clearance rate was 61.7 per cent from 1182 auctions. Melbourne has never had two consecutive weekends of more than 1000 auctions in May, said David Morrell, a buyers' advocate at Morrell & Koren.



An artist's impression of Eve Apartments in Erskineville, which sold 141 apartments off the plan on Saturday.

"I went to one auction that had six bidders and the property sold for \$600,000 over the reserve. Then the next two auctions I went to after that didn't get a single bid," Mr Morrell said.

"For something that ticks all boxes the appetite is as good as it has ever been but I think vendors' expectations in general are a bit high in Melbourne," Mr Morrell said. For example, Victorian era homes were popular at the moment among buyers, with two Victorian homes exceeding their reserves by more than \$500,000 at the weekend, he said.

Australian Property Monitors'

Andrew Wilson said this coming weekend would be the real test of the market's momentum, with a record number of auctions predicted again for Melbourne and Sydney.

"Just when it looked like affordability barriers had started to form, the market found another level," Dr Wilson said.

"All this may be vendors getting in before winter and the Queen's birthday weekend in June. Melbourne will have over 1000 auctions this coming weekend again," he said.

The Reserve Bank of Australia said in the May board meeting minutes last week

that while price inflation had eased in recent months and auction clearance rates had edged back, other indicators, such as turnover, first home owner grants and loan approvals for new housing, remained high.

Canberra and Perth are expecting a record number of auctions so far this year, RP Data says. Canberra recorded a clearance rate of 50.9 per cent, in Perth there was a clearance rate of 45.2 per cent and in Brisbane a preliminary clearance rate of 49.5 per cent was recorded.

► Boom for Southern Highlands' estates p33