



WEEKLY SNAPSHOT

ANDREW WILSON



Sydney market gathering pace

Two weeks into the 2013 autumn auction season and early signs are that the Sydney housing market continues to improve.

Last weekend's Sydney auction clearance rate of 71.6 per cent was the highest recorded in years and followed the 62.2 per cent recorded the weekend before. Last weekend's rate was also clearly higher than the 57.2 per cent recorded during the

final auction weekend in December and was nearly 20 points higher than the 53.1 per cent recorded during the same weekend in 2012.

The inner west continues to be the most popular Sydney region for

buyers and sellers, with an auction clearance rate last weekend of 79 per cent. Sydney's upper north shore was also popular last weekend, with a clearance rate of 80 per cent.

Although weekend auction clearance rates rose throughout 2012 and signalled increased buyer activity and rising competition for properties, listing numbers remained subdued compared with 2011.

This trend, however, appears to be reversing despite similar auction numbers so far in 2013 compared with the same time in 2012.

Sydney is set to host about 500 auctions this weekend and next, which will be higher than a year ago.

This might indicate sellers' growing confidence that competition is pushing up prices. These increased numbers will give the auction market its first full test of the season.

Auctions in Sydney's eastern suburbs and lower north shore are also set to rise significantly during the next few weekends. This will also provide an early guide to a possible sharemarket-led recovery in Sydney's flat prestige housing market.

Dr Andrew Wilson is senior economist for Australian Property Monitors.
Twitter: @DocAndrewWilson