



Auctions an acid test for a market affected by rate rises, instability

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THE Sydney property market faces a litmus test today, with about 500 auctions around the city – the biggest number so far this year.

But buyers and sellers hate instability and this week's political unrest is just the latest blow to a market already reeling from unexpected interest rate rises.

"It just creates more uncertainty and this political instability is unprecedented," said Andrew Wilson, the senior economist with Australian Property Monitors.

The clearance rates in the past couple of weeks have been 52.5 per cent and then 54.8 per cent, compared with 60 per cent for the same weekends last year.

"We'll need the clearance rate to be in the mid-50s this weekend for any sign that the Sydney market has gathered momentum," Dr Wilson said.

Even that modest hope could be a big ask.

"Things started off really well but the last couple of weeks have been a bit quiet, with the banks putting up their rates," said Belle Property Annandale agent Simone Azzi.

"A lot of buyers are sitting on their hands at the moment and keeping their cards close to their chests."

Ms Azzi said vendors were also cautious. "We definitely had a lot more property on the market this time last year," she said.



Top views ... this Mosman home has a price guide of about \$4 million.

Still, there was plenty coming through open homes – more than 200 groups visited a deceased estate in Marrickville that is for auction today with a price guide of more than \$580,000.

Ms Azzi said first home buyers were keen on the three-bedroom unrenovated terrace in Shepherd Street and a dozen contracts had been issued.

On the lower north shore, a three-bedroom home with harbour views in Parriwi Road, Mosman, is for auction today.

Mosman agent Sandie Dunne previously exchanged contracts on the \$4 million property but the client got "cold feet".

"It's happening all the time," she said. "People are out there wanting to buy but they don't seem to have the confidence."

She had four contracts out before today. If it does not sell under the hammer, she was confident it would sell soon after.

"I hope we get some bidding but I am not overly optimistic," she said. "People may just sit back and wait."

Meanwhile, in the eastern suburbs, goodyerDonnelley agent Alexander Phillips had eight properties scheduled for auction but has sold half of them beforehand.

He has withdrawn two of the remaining four.

"We had no one on them, so we've put a price on them," he said. "Buyers are a little bit scared by auctions at the moment."

"If vendors have got a price they're happy with that's in line with the market, it's often best to put a price on it and generally they're then selling quite quickly."

APM data confirms fewer vendors have put their homes up for auction this month compared with last February. Today's 494 listings are 21 per cent fewer than the 626 auctions on the equivalent weekend last year.