



House sales put spring in market

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THE sluggish property market is showing signs of a spring revival, with auction clearance rates reaching their highest level for more than three months.

The weekend's auctions in Sydney, Melbourne, Brisbane and Adelaide had higher clearance rates than the previous weekend, although the national market remained relatively flat compared with this time last year.

According to Australian Property Monitors, 60 per cent of the Sydney properties that went under the hammer at the weekend were sold, up from 51 per cent on the first weekend of the month.

Melbourne recorded a similar result, with clearance rates reaching 57 per cent, up from 52 per cent the previous week.

In Adelaide, clearance rates hit 53 per cent, up 23 percentage points from the weekend before, while in Brisbane 30 per cent of houses up for auction were sold, up from 25 per cent.

Andrew Wilson, a senior economist with APM, said the early-season spike in home sales suggested the dire predictions about the short-term dangers of the real estate market may have been exaggerated.

"The weekend figures will give the market some confidence as it heads further into spring, which is the busiest time of year for auctions," Dr Wilson said.

"The improvements are only slight, but many people were expecting clearance rates to drop further, so it's a good sign."

Dr Wilson attributed the nationwide jump in clearance rates to data released last week by

the Australian Bureau of Statistics that showed the national economy was growing faster than expected.

"It looks like interest rates could be on hold until next year, so that will encourage investors," he said.

But the market remains well short of where it was 12 months ago. On the second weekend in September last year, auction clearance rates were 69 per cent and 62 per cent in Sydney and Melbourne respectively.

The most expensive home sold at auction over the weekend was a five-bedroom property at MacMasters Beach, on the NSW central coast, which went for \$2,325,000.

At the other end of the scale, a three-bedroom house at Elizabeth East, in Adelaide's north, sold for \$150,000.