



**HOUSING**

# Lower auction rate suggests buyer caution but Super Saturday awaits

**Andrew Wilson**

AFTER encouraging results in the past few weeks, the auction clearance rate in Sydney fell to the lowest level for months at the weekend.

Last week's preliminary rate of 57 per cent provided some optimism that buyer activity in the Sydney housing market might have been gathering end-of-year momentum. But, after this weekend's results, this remains to be confirmed.

At the weekend, 518 properties were listed for sale by auction. Of the 376 results recorded so far, 227 were sold and 57 were withdrawn, for an

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auction clearance rate of 52.4 per cent. The total value of properties sold was \$175.5 million at an average \$773,128. The median value of houses sold was \$775,000 and of units \$560,000.

The most expensive property reported sold at auction was a three-bedroom house in Annandale that went for \$2,460,000. The most affordable property reported sold was a three-bedroom villa in Oxley Park, for \$241,000.

Although preliminary weekend auction results can be volatile and may be revised as more sales are recorded, the Sydney market is yet to exhibit clear signs of a sustained general revival in sales. This indicates buyer confidence remains fragile, particularly in the face of continued mixed economic news, notably from international markets.

Despite generally subdued buying, patchy price growth has been recorded in some Sydney areas so far this year, confined mainly to the lower-price regions such as Canterbury Bankstown and the south-western and outer-western suburbs.

The northern beaches area has also recorded some house price growth this year despite its relatively high median house price.

Although auction sales activity appeared to flatten at the weekend, prospects of increased home buyer activity in the next month remain reasonable. Forward indicators of market activity, such as home-loan data, retail sales, unemployment rates and income growth, have stayed positive.

Time is also running out for first-home buyers to take advantage of the state government stamp duty concession for the purchase of established houses.

Next weekend is set to become this year's Super Saturday for the auction market, with 659 properties so far scheduled for auction, the highest for the year. This will test Sydney's housing market and provide a useful indicator.

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