

Home sales slump

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Property editor

HOME sales have slumped to their lowest level in more than 10 years, with close to 30,000 fewer properties sold in the past financial year.

Around 96,300 houses and units were sold in the year to June, down from 125,166 sales on the same period a year earlier, figures from property data firm RP Data show.

Victoria recorded \$49.6 billion in home sales in the 2010-11 financial year, \$12 billion less than the previous year.

Real estate agents are feeling the pain, with \$300 million in commissions drying up over the 12-month period.

"The industry is headed for a shake-out," Barry Plant chief executive officer Mike McCarthy said. "The main thing in this market is that you must be transparent with your customer. Don't gild the lily and you will get satisfied customers."

Fletchers boss Tim Fletcher said smart and hard-working firms would survive.

"We will see more rationalisation," he said. "People in this industry often think that there is always a north wind blowing, but that is not reality."

Melbourne's median house price has lost \$50,000 since December to now sit at \$551,000, the latest numbers from the Real Estate Institute of Victoria show.

"The larger falls are in the inner-city suburbs," REIV spokesman Robert Larocca said. "More affordable property continues to benefit from insufficient supply over the past few years as well as the population boom of the past decade."

Passed in
263

Houses last week **51%**

Flats/apts yesterday **57%**

Flats/apts last week **58%**

Clearance rate
54%

Overall last week **51%**

Overall last year **66%**

Houses yesterday **53%**

Private sales
477

On vendor's bid **175**

Auctions last week **540**

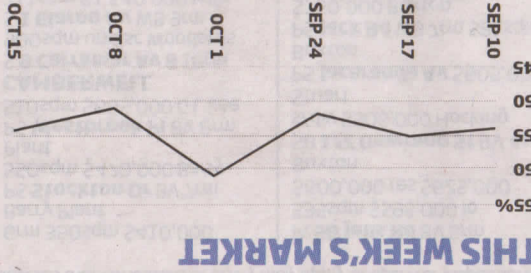
Auctions last year **673**

Auctions this week
575

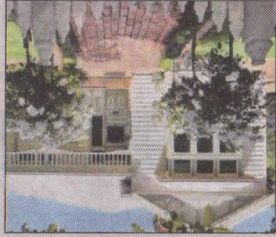
Sold **261**

Sold before **51**

Sold after **0**



TALE OF ONE HOUSE



14 HARKER ST, ALPHINGTON

Three-bedroom, one-bathroom double-fronted Edwardian.

Sold last week **\$850,000**

July 2004 **\$446,500**

January 2000 **\$360,000**

December 1976 **\$29,000**

Source: Colliers International Research

Clearances still slack

VICTORIA'S auction market witnessed an upswing in listings yesterday, but the clearance rate remains stuck below 60 per cent.

Some 720 properties were scheduled to go under the hammer, with the Real Estate Institute of Victoria posting an initial clearance rate of 54 per cent.

The rate has failed to break 60 per cent for seven months, the worst since 2004. A balanced market posts a rate between 65 and 75 per cent.

Advantage Property Consulting's Frank Valentic said buyers were only going for properties that ticked all the boxes.

A three-bedroom, two-bathroom Edwardian with a double-story extension at 202 Inkerman St, St Kilda East, passed in on a vendor bid of \$1 million after falling to attract a bid.

"A year ago it would have sold for \$1.15 to \$1.2 million," Mr Valentic said.

About 880 auctions are scheduled for this week.