

Auction raises fears

80 blocks to go in a day

A MONSTER auction which aims to sell more than 80 properties in one afternoon has divided two Gippsland communities amid fears it may devalue the local market.

Hundreds of prospective purchasers including families and developers are expected to converge on the Metung Hotel on February 9 as 82 blocks of land and marina berths are auctioned off — with 5 per cent discounts being offered on the fall-of-hammer price, estimated to start as low as \$35,000.

The fire sale is believed to be one of the biggest auctions held in Victoria, and includes blocks of land along the waterfront and golf course in developments at Paynesville and Metung.

The mortgagee sale follows Riviera Properties Ltd being placed in voluntary administration after its principal lender, Gippsland Secured Investments, was also placed into administration last year.

But while the auctions, to be held on the lawn of the local

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pub, are expected to bring in hundreds of prospective buyers to bid, locals are divided over whether it will be a boon or bane for the area's property market.

Hotel manager David Archibald said residents were amazed at the level of interest, but torn over the implications.

"Many are fearing that once all these go on the market, it will devalue the area," he said. "But others are thinking it will generate interest in the area."

John Castran from Castran Real Estate is handling the sales and said registrations had been strong so far.

Mr Castran said the 5 per cent discount on sales had been a common fixture of land auctions in Victoria 20 to 30 years ago, and strong results were expected on the day.

"It's a chance for people to reinvest in the area — and hopefully it's 60 or so mums and dads buying here."

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