

Market's on a spring roll

Last year was a dismal one for property, but momentum is building for the selling season.

The sun's starting to shine a little brighter on the Sydney property market. Things are definitely looking up.

Home hunters at last Saturday's open homes and auctions – many in short sleeves and even singlets – had a spring in their step.

With interest rates low, the smart money's out buying before the recovery gathers pace. In Surry Hills, Ashley Ozols, 31, who works in finance, and his textile designer wife, Jessica Ozols, 28, picked up a New York-style one-bedroom pad in a Bourke Street warehouse conversion for \$610,000 at a BresicWhitney auction.

"It's a great property, we're looking forward to leasing it out," Ashley says. Looking down at 10-month-old baby Felix, he adds: "And the little fella can live in it in 20 years' time."

With Surry Hills among Sydney's "hip" suburbs, according to property consultants Urbis, you get the sense that the Ozols' choice is a sound one. Its lack of a car space probably adds to the appeal, since an Urbis study found cars aren't cool any more.

And vendor Steve Dodds can hardly complain, with his capital growth nudging 50 per cent since he purchased it for \$410,000 in February 2008.



AirLink

Scan Valerie McKay to see the hammer fall on three exciting Sydney auctions.

Not to mention the \$650 a week in rent he's been collecting.

In Moncur Street, Woollahra, a huge crowd watched one of the last unrenovated houses in the street go under the hammer through Ray White Double Bay. A young couple paid \$2,052,000 for the deceased estate, more than \$352,500 above the reserve. There were 20 registered bidders with five active.

They're unlikely to lose on the deal either. Despite the home needing a million dollars spent on it, renovated properties nearby have fetched \$3 million.

Over in Cammeray, Karen Gray was happy enough to pay \$45,000 more than the reserve price for a three-bedroom apartment at a Belle Property Mosman auction.

A friend was bidding confidently in \$20,000 increments. There was only one other active bidder, but Gray thought \$945,000 was a "good deal" – and it appeared to be fair given its bush outlook, two car spaces and size. A smaller apartment on a lower level with a single car space sold for \$853,000 last May.



Wearied of renting ... Valerie McKay and her family hope to find a house by Christmas. Photo: Marco Del Grande

TIME'S RIGHT FOR THOSE READY, WILLING AND ABLE TO BUY

Valerie McKay and her husband, Michael Johnson, have a box full of real estate pamphlets collected at open homes in the 10 months they have been looking.

The couple, a lawyer and risk manager, have been renting in Maroubra with their two children, aged 2 and 4, and want to buy their first home in nearby Randwick, Kingsford or Kensington. Something with three bedrooms is a must, freestanding or a "roomy semi", preferably with a backyard, and it has to be close to schools and buses into the city.

Not all of the houses they have seen so far have been serious contenders, McKay admits, as many were above

their price range, which is in the "low \$1 millions". "We're not so surprised because our budget is pretty tight for the area we're looking in," she says.

So far there have been two they were "quite serious about" but narrowly missed out on.

But now, with the extra listings appearing at the start of spring, they are hopeful of finding something before Christmas, so they can be settled for their eldest child's first day of school next year.

"We have put ourselves in a position to be able to do something," McKay says. "Renting gets a bit wearing."

Antony Lawes

clearance rate of 62.6 per cent was far better than the same weekend last year, when it was 53.9 per cent.

"Things are certainly looking a lot brighter than they were a year ago," the deputy chair of LJ Hooker, Janusz Hooker, says.

The experts can never agree on the market's peak or trough, but most believe that we're through the worst of it.

"Sydney's housing market clearly bottomed in the December quarter

of 2011 following a relatively subdued year for buyer demand," the senior economist at Australian Property Monitors, Dr Andrew Wilson, says.

He points to the best winter auction clearance rates for years, the rising number of home loans and the rise in the median house price of 1.4 per cent for the first half of the year.

Property guru John McGrath is also optimistic. "There is a new air of positivity in the marketplace in

"It's a big apartment ... and Cammeray's such a great spot," Gray says.

BRIGHTER OUTLOOK

Sydney's buyers and sellers do seem to be reaching a happy equilibrium.

More often than not, there's a compromise: vendors adjust their over-inflated reserve prices before the hammer falls – or soon after – or keen buyers lift the amount they're willing to pay.

Last Saturday's overall auction

Sign up as a Domain subscriber at domain.com.au/spring and receive the full Spring Property Guide on Tuesday.

FIND OUT HOW YOUR SUBURB PERFORMED

Grass is greener ... 12 Ellendale Road Kenthurst is expected to sell for more than \$1.3 million (L.J. Hooker Dural).

What is your suburb worth?

Do it Right

SPRING PROPERTY GUIDE

Lower north shore

houses 4%
apartments 5%

CREMORNE

MEAN PRICE*	120	120
6-MONTH CHANGE	-4.1%	-2.8%
12-MONTH CHANGE	0.3%	-3.3%
RANK 59		
PREDICTION		
HOUSES	100	5%+
APARTMENTS	233	6%
AVERAGE DAYS ON MARKET		
HOUSES	56	
APARTMENTS	56	

*Over the year to June 30

GREENWICH

MEAN PRICE*	153	153
6-MONTH CHANGE	-1.1%	-4.8%
12-MONTH CHANGE	4.5%	-5.2%
RANK 86		
PREDICTION		
HOUSES	29	5%+
APARTMENTS	85	6%
AVERAGE DAYS ON MARKET		
HOUSES	53	
APARTMENTS	53	

*Over the year to June 30

Houses top performers

SUBURB	GROWTH IN MEDIAN PRICE (%)
Kenthurst.....	30+
Tamarara.....	30+
Kirribilli.....	30+
Warrabee.....	26.1
Windsor.....	25.3
Ramsgate Beach.....	23.8
Homebush West.....	22.7
Sylvania Waters.....	22.1
Hurstville Grove.....	20.8
Wareemba.....	18.3

Units top performers

SUBURB	GROWTH IN MEDIAN PRICE (%)
Dural.....	30+
Padstow.....	30+
Revesby.....	30+
Concord.....	26.3
Lavender Bay.....	24.2
Petersham.....	22.7
Rozelle.....	20
Camden.....	19.6
Werrington.....	17.7
Oatlands.....	14.2

Houses worst performers

SUBURB	DECLINE IN MEDIAN PRICE (%)
Rhodes.....	-4.30
Double Bay.....	-4.30
Church Point.....	-27.3
Kyle Bay.....	-26.8
Harris Park.....	-23.8
Tennyson Point.....	-22.7
Artarmon.....	-22.1
Kurrarong.....	-19.3
Vaucluse.....	-17.8
Woollahra.....	-17.4

Units worst performers

SUBURB	DECLINE IN MEDIAN PRICE (%)
Point Piper.....	-4.30
North Richmond.....	-26.7
Concord West.....	-21.8
Jamisontown.....	-20.7
Birchgrove.....	-19.5
Dundas.....	-18.9
St Marys.....	-18.3
North Bondi.....	-17.3
Dover Heights.....	-17
Sylvania.....	-16.8

*FOR THE YEAR TO JUNE 30, 2012

the lead-up to the biggest selling season of the year," he says.

He references RP Data figures showing Sydney property values rose 1.2 per cent in July and 1.7 per cent for the year to August.

"At McGrath, auction clearance rates are in the high-70 per cent region for properties under \$1 million, which suggests a somewhat two-speed recovery."

The head of real estate strategy at Macquarie Capital, Rod Cornish, also qualifies his "recovery" verdict.

"On the official ABS data, Sydney's median house price has lifted modestly, by just over 2 per cent, in the first half of 2012, taking back more than half of the 4 per cent price fall during the downturn," he says.

An improvement, nevertheless.

LISTINGS SHORTAGE

The shortage of early spring listings appears to be the Sydney market's biggest problem.

With SQM Research reporting there were 10 per cent fewer properties for sale this winter than last, agents around the city are saying there are even fewer new listings going into spring than in other years.

"Buyers can expect to see quite a lot of older listings that have been on the market since autumn or earlier, yet not as many newer listings as seen in previous years," the managing director of SQM, Louis Christopher, says.

But with great results, such as his Moncur Street sale, Ray White Double Bay agent Timothy Gorring believes that will change.



Looking up ... Ashley and Jessica Ozulys have purchased property in Zurly Hills. Photo: Marco Del Grande

"I think you will see a lot of stock come onto the market," he predicts. "I think we'll see an extremely busy last quarter."

WHERE TO LOOK FOR 'BARGAINS'

As the chief executive of propertybuyer.com.au, Rich Harvey, says: "The dud or overpriced properties are just sitting there."

It could be worth finding properties that have sat on the market for a long time and making a low offer. He suggests homing in on suburbs where it's taking the longest to sell property, or where the greatest amount of discounting is going on.

The Fairfax-owned Australian Property Monitors can help.

The chairman of Ray White, Brian White, suggests the northern beaches are the most undervalued suburbs of Sydney at the moment. "There are great bargains around Freshwater and Dee Why," he says.

And despite some early signs of improvement in the prestige market, the head of investment strategy and the chief economist at AMP Capital, Shane Oliver, says the best bargains will be found in the "ritzier suburbs".

"They have suffered the most over the past year as tougher financial conditions and sharemarket weakness have weighed on such suburbs," he says.