

# Brexit impact yet to be felt in Melbourne's auction market

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Chris Tolhurst

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Shares



Fraser Cahill, of Marshall White, auctions 7 Lambeth Avenue, Armadale in front of a large crowd and many bidders.  
Photo: Josh Robenstone

Nearly 900 metropolitan properties went to auction on Saturday as buyers and sellers felt the chill of global financial events on top of the blast of icy air across the city.

Whether any fallout from Britain's decision to leave the European Union will hit demand for Melbourne real estate remains to be seen, but property experts say the recent sharemarket turmoil will make some buyers nervous about borrowing.

Agents reported 100-plus crowds at some auctions, although attendances at other auctions and open-for-inspections were down because of the school holidays.



7 Lambeth Avenue, Armadale. Photo: Supplied

But the market held its ground. The Domain Group posted a clearance rate of 72 per cent from 705 reported auctions. The results of a further 182 auctions were not reported.

This weekend's auction count was higher than the 863 listed for the same weekend last year. And after last weekend's 988 auctions, a record for a June weekend, listing trends suggested sellers and buyers were becoming far more comfortable with making transactions during the month.

Hodges director Stephen Wigley said the bayside market was quieter than normal as many family buyers were away.

[Click here for Saturday's auction results.](#)

[Click here for the Market Snapshot.](#)

But the absence of school sport commitments meant those buyers who'd normally stayed away were able to get out to view properties as a whole family.

Hocking Stuart's Jenny Dwyer said, despite the exit decision and next weekend's federal election, there were serious buyers about on Saturday who were intent on upgrading or downsizing.

She said the sharemarket upheaval could inject a note of caution into Melbourne's market, but it was too early to read the impact of Brexit.

"The fundamental reasons why you buy a family home don't necessarily change," Ms Dwyer said.

"Clearly, we will all be monitoring [Brexit's impact] in the next couple of months but, if today was any indicator, there was not a slowdown in the numbers that we saw or in the inquiry.

"The fact that the stock levels are so low means we have that perennial problem this year of not being

able to satisfy demand.”

Others believe a slump in global financial markets will hit housing demand.

Buyer’s advocate Paul Osborne, of Secret Agent, said: “There will be uncertainty about borrowing large sums of money when the punter here is invested in large financial markets. The most common reaction for a lot of people is to sit on their hands and wait and see what happens over the next month.”

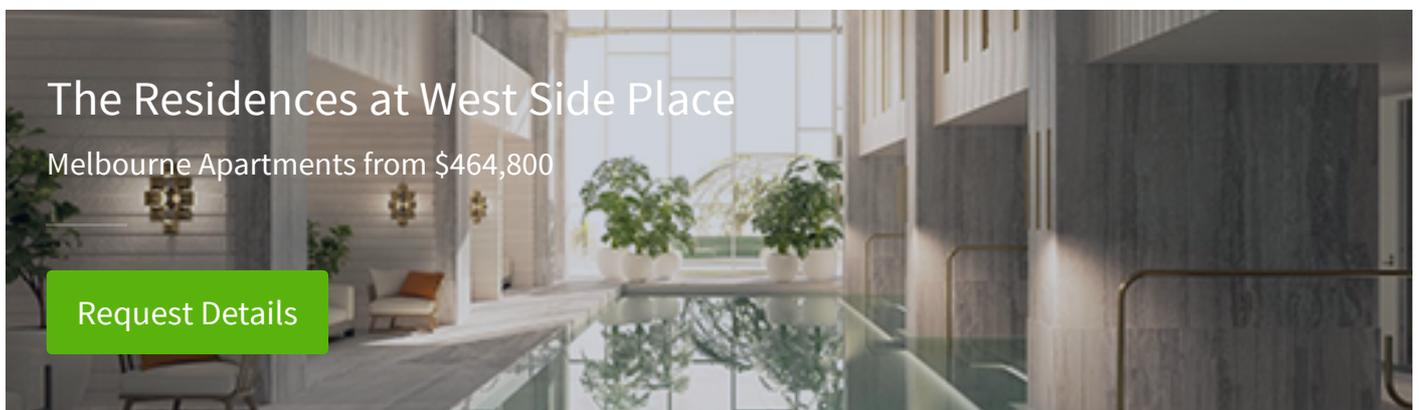
Wakelin Advisory director Richard Wakelin said it was international factors, not domestic issues, that typically caused Australian property markets to change course. “The emergence of China, the GFC and the price of oil are all examples in recent years of external shocks to Australian property,” he said.

Glen Waverley had the most auctions of any suburb on Saturday with 25, followed by Mount Waverley with 20.

Real Estate Institute of Victoria spokesman Paul Bird said the surge in sales in the two suburbs, both popular with overseas buyers, was as much investor-driven as owner-occupier-driven.

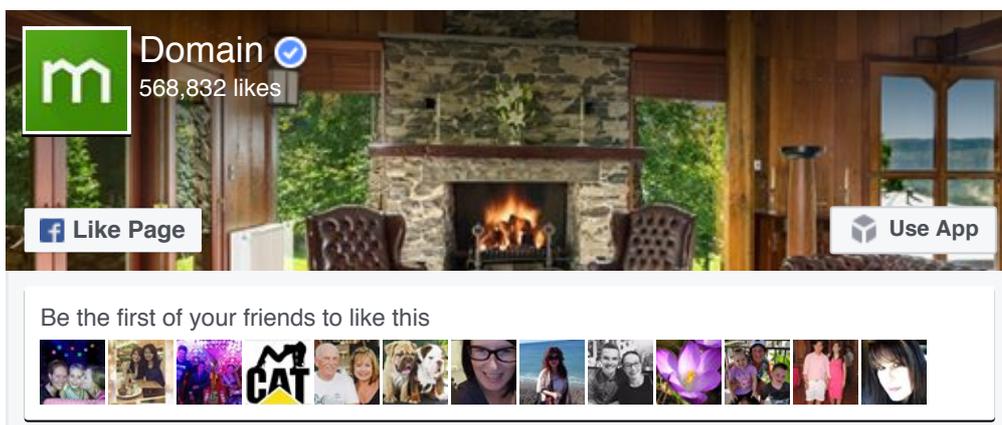
“There are new taxes that kick in on July 1 with stamp duty for foreign investors going up from 3 to 7 per cent,” he said.

Only 193 auctions are scheduled next weekend.



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