

March 2010 Market Update

The Reserve Bank has raised interest rates for the fourth time since we were at an historic low last year. The increase is unlikely to have an impact on our housing market as demand is driven by strong population growth and a lack of supply. The rate of unemployment appears to have peaked at a much lower level than earlier expected. Inflation has, as expected, declined in underlying terms from its peak in 2008, helped by the fall in commodity prices and the rise in the exchange rates

The first major offering of Abercrombys auctions since late last year has seen clearance rates at 92% as compared to the overall Melbourne market at 86% compared with 73% for the same time last year.

Multiple buyers at most auctions and a clear lack of quality stock will see continued growth for the first quarter of 2010.

Some stunning results, some in excess of 15% of reserve include:

- 7 Ardrie Road, Malvern East
- 13 Johnstone Street, Malvern
- 6 The Avenue, Malvern East
- 22 Coppin Grove, Malvern East
- 19 Wattletree Road, Armadale
- 5/123 Beaconsfield Parade, Albert Park
- 3/249 Beaconsfield Parade, Middle Park

Rentals

A strong start to the first quarter of 2010 has seen vacancy rates drop to below 1% for the first time in over 18 months. Rents will increase by 5% across the board this year.

To learn more about the Abercromby's advantage and our 5 star property management service please call Warren Smith on 9864 5353.