

'Most properties had bids but vendors weren't prepared to meet t

Real estate clearance rate dives to 15-year low

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THE Sydney property market crashed to its lowest point in 15 years yesterday after auction clearance rates dropped to a record low of 32.3 per cent.

The historic low came as a surprise to property experts, who expected to see the auction clearance rate boosted by bargain hunters taking advantage of desperate investors keen to offload properties before the State Government's 2.25 per cent exit tax comes into force on Tuesday.

"It's terrible," Home Price Guide head of research Louis Christopher said. "We were expecting investors to take what bids were available. But either there were no buyers out there or investors would not take the low bids on offer and they have passed their property in.

"I am surprised, as I was expecting the clearance rate to be higher than that. I thought sellers would be happy to meet market. Looking through results, most properties passed in had bids but vendors weren't prepared to meet the market."

Of the 221 properties put to auction yesterday, only 90 sold.

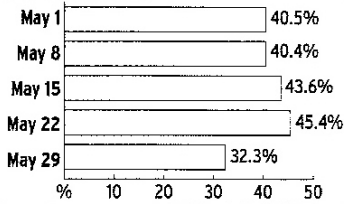
The Sydney auction market is in crash mode after auction clearance rates slipped below the crucial 40 per cent mark.

"This is certainly the lowest it has been since the recession," Mr Christopher said. "The lowest monthly clearance rate we had was 33 per cent in June 1989."

He said that the lowest Saturday clearance rate was also in June 1989, when it fell to 24 per cent.

"It was the month that the Reserve Bank lifted cash rates to 17.9 per

SALES SLIDE



cent. It was a black month for property. Interest rates that high put the whole country into recession and property was a big casualty.

"The change in legislation has got a lot to do with [yesterday's low clearance rates]. If there had been no vendor stamp duty it would have been a normal Saturday."

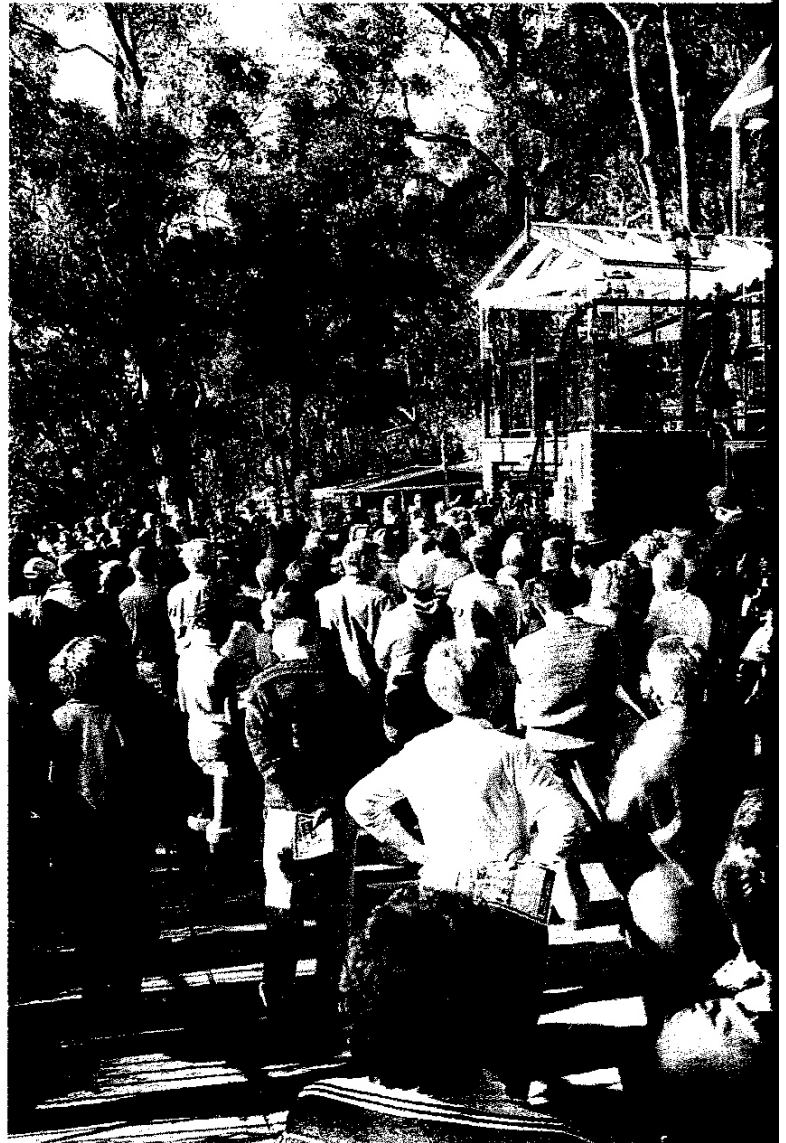
In the past three weeks, the Sydney auction clearance rate had started to pick up.

Indicators show that while property prices may have taken a dive, bargain hunters had become increasingly active, buying property only if the price was right. This had resulted in an improving auction clearance rate that had climbed steadily from 40.4 per cent three weeks ago to 45.4 per cent last Saturday, Home Price Guide figures show.

One investor to successfully offload his rental property yesterday was James Biggs. His unrenovated two-bedroom unit at Darlinghurst sold for \$660,000 through Bresic Whitney Real Estate after passing in at auction for \$655,000.

Dr Biggs said the exit tax was one of the main reasons he was selling the Tewkesbury Avenue unit he has owned for 15 years.

Sydney's most comprehensive auction results: Pages 74, 75



CRICKET PITCH: A large crowd attended yesterday's auction of Mark Waugh's Picnic Point home

Waugh caught out, bowled b

FORMER Test cricketer Mark Waugh did not display his trademark calm under pressure as his house passed in at auction yesterday, but he showed he could still pull a crowd.

On a day bidders kept their hands in their pockets, Waugh refused to come out of the Picnic Point home he shared with former de facto Sue Porter for five years. The couple's 17-year relationship ended in March.

Like many others yesterday, the property, called Kookaburra Hideaway, was passed in. The highest bid was made by the

vendors - \$1.75 million - after bidding stalled at \$1.68 million.

Ms Porter, who watched the auction from another part of the property, was supported by several friends, including Stephanie Slater, ex-wife of former Test batsman Michael Slater.

Another interested spectator was Waugh's father, Rodger.

The property has approval for subdivision and a granny flat, and comes with an in-ground swimming pool and a flagpole complete with Australian flag.

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