

FINANCIAL REVIEW

SE News

HD \$11m penthouse sale features in subdued weekend of auctions

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LP The off-the-plan sale of a penthouse in **Greenland's Omnia development** at Potts Point for \$11 million was the standout result at the weekend as Sydney and Melbourne clearance rates remained subdued on a big weekend for auctions.

CoreLogic reported a 61 per cent preliminary clearance rate from 880 of the 1200 auctions scheduled. This was up marginally from last weekend's 58 per cent final clearance rate from almost the same number of auctions.

TD However, the same weekend last year, the clearance rate was 73 per cent from just over 1400 auctions.

Domain senior economist Andrew Wilson said the next few weekends in the lead-up to the Christmas break would tell whether or not the Sydney market had bottomed out or not. A record 6000 homes are due to go under the hammer in Sydney between now and Christmas.

Over the weekend, the Eastern Suburbs was the strongest market in Sydney with a 77 per cent clearance rate from 107 reported results.

The eastern suburbs also secured \$160 million in off-the-plan sales for Chinese developer Greenland at its 19-storey high-end luxury apartment development, Omnia on Victoria Street in Potts Point.

Among the 95-odd apartments that sold over the weekend (70 per cent of the 135 apartments in total, starting from \$730,000) was a three-bedroom plus study penthouse, which was snapped up for \$11 million by an Australian resident of European extraction.

CBRE director residential projects Ben Stewart said he wasn't surprised by the excellent response from the market given the short supply of prestige apartments in this part of Potts Point.

Ray White auctioneer Scott Smith said the Northern beaches, Eastern Suburbs, Inner West and North Shore were still very strong, although bidders-at-auction numbers had halved compared with a few weeks ago.

"Prices are not moving at all, either upwards or downwards," he said.

Another big Chinese developer, Shimao Property made its debut in the Sydney residential property scene over the weekend, selling 75 out of 111 apartments on Sunday morning at its Ashmore precinct in Erskenville in partnership with local developer, B1.

At least 60 per cent sold to investors. Fourteen per cent of the buyers were foreigners and the local buyers were mainly migrant Chinese, said McGrath Projects' Steven Chen and Michael Chen.

The luxury project is targeted at high-end buyers with the cheapest apartments at \$650,000 for a studio and up to \$2.6 million for townhouses.

Shimao, led by billionaire Hui Wing Mau, had already established a presence in the Sydney commercial property market paying \$390 million for 175 Liverpool Street in late 2014.

"Even though the housing market has cooled, there is still fiery interest in our development," B1 Group chairman Anne Bi said.

In Melbourne, [CoreLogic](#) recorded a stronger preliminary clearance rate of 69.5 per cent from 1362 auctions of the 1548 auctions scheduled, the fourth busiest weekend of the year. It was the fourth weekend in a row clearance rates were under 70 per cent.

In inner Melbourne, the clearance rate from 303 auctions just ticked over 70 per cent while the western suburbs recorded a 75 per cent clearance rate.

Buyer's agent David Morrell said Chinese buyers have been noticeably absent from recent auctions.

Mr Morrell said the Melbourne market was "recalibrating, except for something really good" such as the sale of a house on a 562 square metre block at 17A Moorhouse in the sought-after school zone suburb of Armadale.

There were 198 Brisbane auctions this week with a preliminary clearance rate of 46 per cent, up from 38 per cent last week across 168 auctions and similar to one year ago when there were 142 auctions with a success rate of 46 per cent. The Gold Coast's preliminary clearance rate was 48 per cent across 50 results.

Adelaide managed a 49 per cent preliminary from 81 results out of 119 scheduled auctions, down from 58.1 per cent last week when 146 auctions were held across the city.

Perth's clearance rate of 50 per cent across 18 results is up from the previous week, when 44 auctions were held and a clearance rate of just 16 per cent was recorded.

In Canberra, 100 auctions were held this week, and of the 62 reported results, 66 per cent were successful. Tasmania saw 23 auctions, 10 results have been reported so far, with six sales.

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