

# KAY & BURTON

## Market Report February 2022

### Melbourne & The Mornington Peninsula

#### Melbourne Home Auction Market Revives Over February

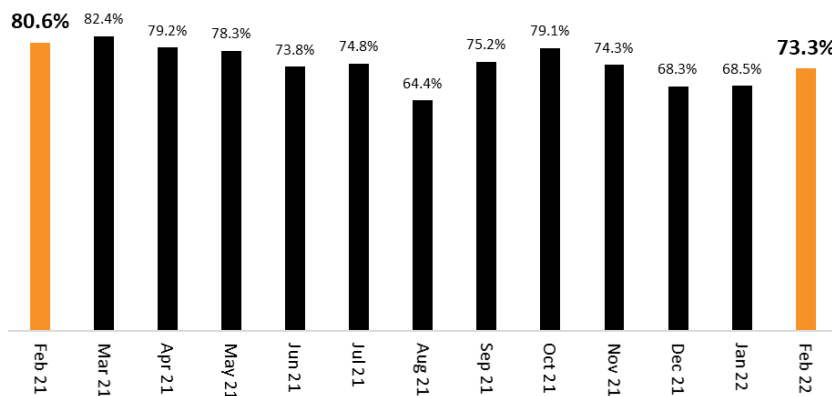
The Melbourne weekend home auction market has revived over February providing sellers generally with robust results despite a near February record flood of listings providing plenty of choices for buyers.

The February weekend clearance rate was the highest monthly result since November 2021 and reflects rising confidence as a result of the easing of covid restrictions and concerns, and confirmation of a strong performance by a rebounding local economy.

Although booming home prices over 2021 have predictably acted to sharply reduce affordability and reduce home price growth levels, demand for housing in Melbourne remains strong – and clearly set to increase as high levels of migration are likely to resume rapidly in the near-term.

Melbourne recorded an overall weekend auction clearance rate of 73.3% over February which was higher than the 68.5% reported over January but lower than the 80.6% recorded over February last year.

#### Melbourne Monthly Auction Clearance Rates:



3796 homes were listed for Saturday auction over February at an average of 949 per weekend, which was 10.5% higher than the 859 averaged over February last year.

Melbourne February auction numbers established a new record for the month with the number of auction sales also at record February levels.

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Melbourne recorded a weekend median auction price for houses of \$1,105,000 over February which was 12.2% higher than the \$985,000 recorded over February last year.

Melbourne reported a weekend auction sales turnover over February of \$1,700,734,913 at a weekend average of \$425,183,728, that was 13.5% higher than last year's February average result at \$374,550,196.

**Melbourne Weekend Auction Results February 2022:**

Median House Price	Year Change	Auctions	Year Change	Turnover	Year Change
<b>\$1,105,000</b>	<b>12.2%</b>	<b>3796</b>	<b>10.5%</b>	<b>\$1,700,734,913</b>	<b>13.5%</b>

Melbourne Regions

Melbourne's Outer East reported the highest regional monthly auction clearance rate over February followed by the South East and North East regions.

**Melbourne Regions Weekend Auction Clearance Rates:**

Region	February 2022	January 2022	February 2021
<b>Inner East</b>	73.4%	68.8%	84.8%
<b>Inner South</b>	73.1%	79.0%	85.4%
<b>Inner City</b>	64.0%	84.7%	78.9%
<b>North East</b>	74.7%	60.5%	81.8%
<b>Northern</b>	74.0%	72.6%	82.1%
<b>Outer East</b>	79.0%	70.2%	86.0%
<b>South East</b>	78.6%	63.5%	78.2%
<b>West</b>	73.4%	66.7%	71.7%

Melbourne's Inner East reported the highest median house price sold at weekend auctions over February at \$1,659,000 followed by the Inner City \$1,612,500, the Inner South at \$1,550,000 and the Outer East at \$1,260,000.

**Melbourne Regions February Weekend Median House Auction Prices:**

Region	2022	Annual Change
<b>Inner East</b>	\$1,659,000	11.3%
<b>Inner South</b>	\$1,550,000	23.3%
<b>Inner City</b>	\$1,612,500	-1.8%
<b>North East</b>	\$925,500	8.2%
<b>Northern</b>	\$875,000	9.3%
<b>Outer East</b>	\$1,260,000	20.2%
<b>South East</b>	\$886,500	2.3%
<b>West</b>	\$900,000	7.1%

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### Premium Auction Markets

Clearance rates in Melbourne’s Premium inner-suburban auction markets were lower over February compared to February 2021 but listings were significantly higher.

#### **Melbourne Premium Areas February Weekend Auction Results:**

LGA	2022		2021	
	Reported	Clearance Rate	Reported	Clearance Rate
<b>Bayside</b>	145	79.3%	134	91.8%
<b>Boroondara</b>	236	75.4%	196	90.3%
<b>Port Phillip</b>	132	64.4%	93	87.1%
<b>Stonnington</b>	104	74.0%	103	79.6%

Auction prices in Premium areas were generally significantly higher over February compared to February 2021.

#### **Melbourne Premium Areas February Weekend Median Auction Prices:**

LGA	House	Annual Change	Unit	Annual Change
<b>Bayside</b>	\$1,607,500	27.6%	\$875,000	9.2%
<b>Boroondara</b>	\$2,320,500	16.0%	\$787,000	17.3%
<b>Port Phillip</b>	\$1,635,000	-11.7%	\$835,000	13.5%
<b>Stonnington</b>	\$1,990,000	11.2%	\$726,500	21.0%

### Top Ten Premium Auction Suburbs February 2022

#### **Melbourne Premium Areas Top Ten Suburbs Reported Weekend Results:**

Suburb	LGA	Reported	Clearance Rate
<b>Cheltenham</b>	Bayside	38	81.6%
<b>Camberwell</b>	Boroondara	36	77.8%
<b>St Kilda</b>	Port Phillip	36	47.2%
<b>Glen Iris</b>	Boroondara	31	71.0%
<b>Hawthorn</b>	Boroondara	27	70.4%
<b>Highett</b>	Bayside	27	81.5%
<b>Kew</b>	Boroondara	27	74.1%
<b>Elwood</b>	Port Phillip	27	63.0%
<b>Prahran</b>	Stonnington	22	45.5%
<b>Balwyn North</b>	Boroondara	21	66.7%

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## Top Ten Premium Auction Sales February 2022

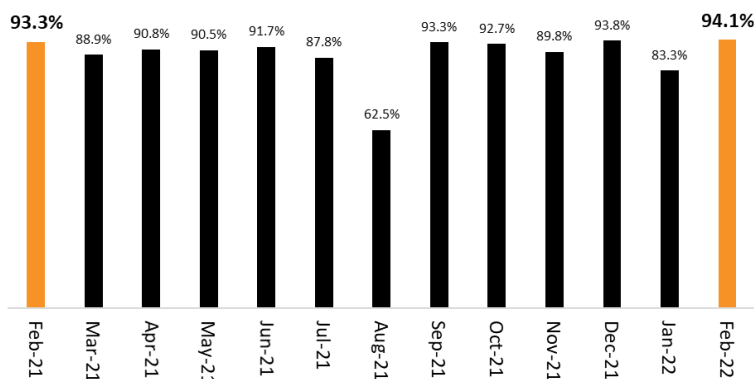
### Melbourne Premium Areas Top Ten Sales February Reported Weekend Results:

Address	LGA	Price
<b>50 Esplanade Brighton</b>	Bayside	\$5,395,000
<b>40 Coppin St Malvern East</b>	Stonnington	\$4,875,000
<b>44 Alexandra Av Canterbury</b>	Boroondara	\$4,720,000
<b>72 Molesworth St Kew</b>	Boroondara	\$4,705,000
<b>37 Chaucer Cr Canterbury</b>	Boroondara	\$4,110,000
<b>6 Victor Av Kew</b>	Boroondara	\$4,080,000
<b>11 Hillside Pde Glen Iris</b>	Boroondara	\$4,010,000
<b>32A Coppin Grove Hawthorn</b>	Boroondara	\$3,950,000
<b>6 Myrning Gr Hawthorn East</b>	Boroondara	\$3,860,000
<b>14 Gardiner Pde Glen Iris</b>	Boroondara	\$3,750,000

### Mornington Peninsula

Mornington Peninsula weekend auction clearance rates increased sharply over February to be higher than February 2021 and continuing well ahead of the general Melbourne results.

### Mornington Peninsula Weekend Auction Clearance Rates:



Median house auction prices were significantly higher over February compared to February 2021, and from higher listings.

### Mornington Peninsula November Weekend Auction Results:

Type	Reported	Clearance Rate	Median	Monthly Change
<b>Total</b>	51	94.1%	\$1,090,000	11.7%
<b>House</b>	49	93.9%	\$1,187,000	21.6%
<b>Unit</b>	2	100%	\$410,000	NA

Rye was the most popular weekend auction suburb on the Mornington Peninsula over February with a 100% clearance rate

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### Mornington Peninsula February Top Auction Suburbs:

Suburb	Reported	Clearance Rate
<b>Rye</b>	9	100%
<b>Rosebud</b>	9	100%
<b>Mornington</b>	8	100%
<b>McCrae</b>	6	100%
<b>Safety Beach</b>	4	50.0%
<b>Dromana</b>	3	100%
<b>Tootgarook</b>	3	100%
<b>Mount Eliza</b>	2	50.0%
<b>Blairgowrie</b>	2	100%
<b>Hastings</b>	2	100%

### Top Ten Mornington Peninsula Weekend Auction Sales February 2022

#### Mornington Peninsula Top Ten Auction Sales February Reported Weekend Results:

Address	Price
<b>15A Coburn Av McCrae</b>	\$2,920,000
<b>2 Somers Cl McCrae</b>	\$2,700,000
<b>3 Moody St Rye</b>	\$2,600,000
<b>54 Elizabeth Dr Rosebud</b>	\$2,050,000
<b>49 Westmore Av Sorrento</b>	\$1,900,000
<b>237 Dromana Pde Safety Beach</b>	\$1,837,000
<b>20 Chunar Gr McCrae</b>	\$1,740,000
<b>117 William Rd Blairgowrie</b>	\$1,640,000
<b>49 Bayview Rd McCrae</b>	\$1,625,000
<b>66 Darvall St Tootgarook</b>	\$1,525,000

The Melbourne weekend auction market has rebounded sharply over February, reporting the highest clearance rates since November 2021.

The revival in clearance rates was reported despite a record February for auction listings which has failed to slow the market and reflects continued buyer depth and strong ongoing demand for property.

Robust housing market activity also reflects generally rising confidence and declining uncertainty following the easing of covid restrictions and the confirmation of a generally strong local economy.

Although speculation has been rising of a near-term increase in official interest rates, latest disappointing wages data has clearly acted to keep rates on hold for the foreseeable future – and still unlikely until 2023 - at the earliest – particularly given significant concerns over geopolitical tensions in Europe.

Flat interest rates are a positive for housing market certainty and affordability with the Melbourne market certain to be a beneficiary of the imminent revival in mass migration creating significant demand for local housing and placing upward pressure on prices and rents.

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Remarkable home prices growth over 2021 has predictably acted to reduce affordability which will subdue prices growth regardless of rising demand and an underlying shortage of housing.

Inner suburban, prestige markets however will continue to attract buyers and stimulate higher prices, with the Mornington Peninsula set to remain Melbourne's strongest performing regional market.

Challenges remain for Melbourne auction markets over March with the traditional pre-Labour Day holiday Super Saturday of auctions to test buyer depth and place downward pressure on clearance rates - although sales volumes are likely to remain at high monthly levels.

Analysis provided by Chief Economist Dr Andrew J. Wilson (PhD, MSc, GradDipEco, BConEco, MRICS).