

Understanding the Local Real Estate Market

It has been said that the only constant in life is change. That is certainly true about the real estate market, and it is important as a buyer or seller to know what type of market you are operating in.

The type of market will have a great impact on listing prices, selling prices, days on market and more. These factors, in turn, will impact how you approach buying or selling a home.

There are three basic types of markets that exist within the real estate cycle: a buyer's market, a seller's market and a balanced market. Each market is named for the participant that it favours.

The balanced market is considered to be the healthiest by most. In this type of market supply and demand are in a state of equilibrium. There are enough houses on the market to meet buyer demand, but not so many as to create a glut on the market.

When demand starts to outweigh supply, we move into a seller's market. In this market, there are more potential buyers than there are properties. Characteristics of a seller's market include multiple offers and bidding wars, and can lead to greater price increases in the affected areas.

A buyer's market is one in which there are too many homes on the market for the number of buyers. In this type of a market, houses will take longer to sell and prices appreciate much slower. In extreme cases, they may even cause prices to fall.

There are many factors that impact the real estate market and can cause it to transition from one market type to another. Interest rates are probably the key factor. When these rates drop, so do mortgage rates, enabling more people to buy.

Some also say that markets are seasonal. In general, the spring and fall are busier times and often considered to be seller's markets, while the winter and summer are seen as buyer's markets.

While it is true that there are some seasonal factors that impact real estate markets, including weather, holidays, etc., you can easily have a buyer's market in the spring and a seller's market in the summer.

The most important thing to note with real estate markets is that they are localized. A market type can impact a neighbourhood, a town, a region and so on. It is important to look and see what is happening in your area. Are houses selling quickly? Are there greater/fewer properties coming on the market?

Greg Thompson, e-PRO, C-CREC, MVA, Realtor
Royal LePage-Landco Realty, 425 Dundas Street, London, ON N6B 1V9

Every reasonable effort has been made to ensure the accuracy of the information contained on this page. While the author is a Realtor, he may not be YOUR Realtor. Details, market conditions and requirements do sometimes change. You would be well-advised to seek confirmation of any details contained on this page, either from me or from YOUR Realtor, before relying on this information to lay the foundation for any real estate decision.

www.LondonCoreResidential.com

www.SoldOnLondon.com

Generally speaking, regardless of what type of market you are in, with a little patience you can get what you want whether buying or selling. The people hurt most by buyer's and seller's markets are those that are in a must-sell or must-buy position. Still, even then, the right strategy can help you get the most from any market.

[Seller's Market Strategies](#)

Buyers need to be market ready with an action plan in hand. Advanced planning and market knowledge are key during these times. Buyers should have a pre-approved mortgage, educate themselves by surfing the net for neighbourhood information and historical housing data in order to gauge property values, select a real estate agent that understands their needs and stay in close contact with them.

Seller's are in an advantageous position in this market. However, there are things that they can do to get the optimum selling price for their home. They should ensure that their home gets a maximum amount of exposure on the market, be flexible in giving buyers the opportunity to view the property, avoid overpricing their property as this often loses opportunities, and enlist the advice of a real estate agent to suggest quick fixes to maximize a home's resale value.

[Buyer's Market Strategies](#)

Here buyers have the advantage. They will have more time to look at homes and will not feel rushed. They should still be prepared with a pre-approved mortgage, and enlist the help of a real estate agent to help them find the best home in this sometimes-cluttered market place.

A seller in this market needs to be sure they are marketing their property to the maximum effectiveness. With so much to choose from, you have to show buyers why your house is the best and why it's worth your asking price. A real estate agent can help you with a detailed marketing plan to draw buyers to your door. Sellers must also be patient in this market, as their home may be listed for longer than normal.

Greg Thompson, e-PRO, C-CREC, MVA, Realtor
Royal LePage-Landco Realty, 425 Dundas Street, London, ON N6B 1V9

Every reasonable effort has been made to ensure the accuracy of the information contained on this page. While the author is a Realtor, he may not be YOUR Realtor. Details, market conditions and requirements do sometimes change. You would be well-advised to seek confirmation of any details contained on this page, either from me or from YOUR Realtor, before relying on this information to lay the foundation for any real estate decision.

www.LondonCoreResidential.com

www.SoldOnLondon.com