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*Sales Representative*

## Real Estate Review

April 2006

### *Fabulous Estate*



A perfect combination of country living and city convenience on resort like property. Nestled amongst picturesque trees in a quiet community 30 minutes from downtown Toronto and 15 minutes from the airport. Set on 2.7 acres with a large pond, this home is stunning from all angles. \$999,800.00

### *Model Home*



New 4 bedroom, 3 bath home located in a prestige pocket of fine homes. Just move in! Outstanding quality & workmanship. Upgrades include granite counters, hardwood floors, Kitchen with ceramic backsplash, upgraded light fixtures, trim, hardware and crown mouldings. \$659,900.00

### *Excellent Value*



Toronto Location! Located in the desirable Bluffs area. It has a double lot + garage. Elegance flows throughout the entire interior of the home. Gorgeous hardwood and trim throughout, cathedral ceilings in bathroom and Master bedroom. Separate entrance to basement. The Kitchen has a walkout to a two-tiered deck – perfect for entertaining! \$499,900.00

*If you're considering a move, it would be my pleasure to provide you with a complimentary Market Evaluation of your home.*

### *Wonderful Family Home*



This large 5 level backsplit is located close to all of Mississauga's many amenities. Situated on a fully fenced yard with mature landscaping and fruit trees. It is nicely decorated in neutral tones. The new modern Kitchen features a large breakfast area that overlooks the Family room. Too many upgrades to list! \$437,770.00

### *Great Investment*



**Cheltenham Lodge** - Heritage Designation, backs onto Credit River. Double commercial lot (2 roll #'s) - vacant lot for houses. 8 Units - 1 commercial space, 6-1 bedroom apts., 1-2 bedroom apt. Septic system, municipal water, full sprinkler system, roof replaced (2004), converted to gas heat (Oct. 2005), new high efficiency furnace. \$879,000.00

### *Good Starter Home*



3 bedroom home located close to all of Brampton's amenities. Spacious Living & Dining room with laminate flooring, a wood-burning fireplace and a walkout to a deck and backyard. The Kitchen has ceramic flooring and a breakfast bar. The Master bedroom is has a recently updated ensuite bath. The basement is completely finished. \$269,900.00



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## The Two Spring Markets



Just about everybody wants to know when the Spring real estate market begins. Actually, so do I. It's different each year!

If you were to examine the market from an historical perspective, you will probably find that there are two distinct markets. The first is the early market. This is the period when sellers are trying out new higher prices. It is also coincident with the time that new product enters the market for the first time. If these properties sell quickly, then there is a little pressure on the prices and you can soon find some market escalation.

The second phase will often occur as a result of the first phase. If the first phase has been strong, then the second phase will have substantially higher prices. In fact, a whole year's price escalation may often take place during this phase. So, if you're buying you will want to have bought before this phase, and if you're selling, this truly is the best time to sell.

However, there is of course a catch. No one can be sure what phase we are in until all the statistics have been compiled and analysed. Sure, it's easy to say that the height of the last boom was April Fool's day 1989, but who knew that in March of 1989. Economic analysis is a retrospective science. Unfortunately, economic prediction is still a lot of guesswork.

In a relatively stable market or a rising market, there are some general conclusions that can be drawn:

- If you are selling, wait until phase 2
  - If you are buying, buy in phase 1
  - If you are trading up, do both deals in phase 1
- If you are trading down, do both deals in phase 2

And, for those who can take on a little more risk:

- Trading up, buy in phase 1 and sell in phase 2
- Trading down, again buy in phase 1 and sell in phase 2

This is, of course, the traditional advice. Most of the time it makes sense. However, it is risky, if the market is going in the other direction. It is risky, when too many homes come on the market in phase 2. It is risky, when interest rates are rising. It was far too risky in 1989.

Let's assume normal market conditions. When do the phases begin and end? Phase 1 starts no earlier than the 15<sup>th</sup> of January and phase 2 ends about June 15<sup>th</sup>. Sometime in March, often the week following March break will be the beginning of phase 2. So, most years, the early Spring market is truly in Winter and the late Spring market really is Spring. But, there have been years when phase 1 was only two weeks in length and other years when phase 2 lasted until September.

And, for 2006? Sorry, I won't be able to tell you until the statistics are available in early August.

While it's helpful to know some the usual and predictable market factors, it is important to remember the exceptions and also to remember that it would be wise to buy the very best house that meets your circumstances whenever it happens to come on the market. If I can help, please call me.

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## Home Staging

Staging is all the rage these days in the real estate business, but how does it work?

A Staging Consultant is someone who is usually in the home design business. There are no actual credentials, so virtually anyone who wished to be in the business could be.

The staging consultant will advise you how to turn your lived-in home with the lived-in look into a model home that will be appealing to buyers.

Naturally, a lot of what they do is purely common sense. It is the type of thing that you would do yourself, in terms of getting ready for a big party or some major family event. Tidy the place up, clear out the clutter. Move out the extra furniture so that there's room for the guests to mingle. Remove most of the knick-knacks and personal family pictures. You don't want anything damaged. Get some cut flowers and nice smells. Freshly baked cookies are always nice. Put on some light background music, the type you might hear in elevators. Nothing too lively! If you have a fireplace, now might be the time to light it.

In addition, if you were having a major shower or wedding, you might undertake some minor repairs and modest decorating. Again, nothing too dramatic, just fresh paint in neutral colours.

Ok, let's assume for the moment that you have old worn-out furniture, combined with a sense of bad taste. This may be the time to cheat a little. Go over to the model homes presented by the new home-builders and staged by professional consultants. Go to the decorated rooms in furniture and design stores. What colours or trends are in?

Now, we come back to your house. Let's say it should sell for \$ 300,000. You need to know that with home staging it's not going to sell for \$ 310,000. But, what you're worried about, is it attracting offers in the \$270's and \$280's.

Here's where home staging can really help! This is where a professional will really earn their money. You might have to spend \$ 3,000 to \$ 5,000, but you are going to end up with an offer at \$ 300,000. That's what the house is worth, and that's what you should get.



You have to weigh the costs of staging against the expected return. Why spend \$ 5,000 just to get \$ 5,000? Well, it may still make a lot of sense. Your house may be the first to sell in the neighbourhood and that factor alone might justify your decision.

However, consider Brenda's case. She spent over \$ 10,000 staging her home to sell. She knew that she was in a hot neighbourhood and thought that her house which was a little smaller than most, needed that extra little push. In part, she was right, the house looked great, but she failed to take into account that Ed the builder was the one who wanted the house. His plan was simply to bring in a bulldozer; he barely looked inside the house. He simply walked around the perimeter of the property with a survey. He offered more than anyone else. The moral of the story for Brenda was that she failed to target her marketing efforts to the real purchaser. The costs of staging the house for sale together with the cost of all the improvements in recent years went to waste.

So, if your house really has that homey and lived-in look, you might want to consider a staging consultant before putting it on the market. I would be pleased to recommend a home Staging Consultant to you, and if you don't need one, I would tell you that too.



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