



The Last Six Weeks ~ A Great Time to Buy

By Brian Madigan

One of the best times to buy real estate is between the 15th of November and the end of the year. This six week period of opportunity occurs perennially, not just this year.

It is this period when buyers begin to lose interest and concentrate on the festive season. Fewer buyers means increased opportunity for the ones who stay in the market. Usually, homes have been on the market for some number of months and the sellers are getting a little anxious. Year after year, sales conducted in the last six weeks of the year are undertaken at the same values as in the early Spring. You will find some of the best deals at this time.

So, why not wait until next year? The problem is that Spring is the busiest time for residential sales. Home Builders look at their inventory and decide whether there is going to be a price increase. As soon as the Builders raise their prices, the resale market moves up too. In addition, there is a new influx of buyers into the market, and increased demand means higher prices. This is a cycle that is repeated year after year.

Let's look at the situation from the sellers' perspective. Your property has been on the market for a couple of months and either you haven't had an offer or you were a little too optimistic with the signback price. So, if you are going to do a deal, you are going to have to negotiate with this particular buyer at this time. Otherwise, you will simply have to wait until Spring. And, maybe the buyer in the Spring doesn't want to close until the end of June. So, the best time to sit down and get realistic about the price is right now. Do the deal and get it closed.

If you're the buyer, that's the exact person from whom you want to buy your house: an anxious, nervous vendor who is willing to negotiate.

Other than a good price, is there any other upside for a buyer? Well actually, there are two fairly immediate benefits. The first is that come the early Spring, the value of the house will move up with the market. This will represent a whole year's price escalation in just a couple of months. The

second has to do with mortgage rates. Lenders who have not placed all of their funds for the calendar year will be anxious to get the money out before year end. These same two factors repeat themselves year after year.

Right now, there is an indication from the United States Federal Reserve that interest rates will increase slightly over the short term. Of course, the Bank of Canada will follow suit.

So, if the right house for you, is on the market today, then the best time to buy it, is over the next six weeks. Your first step should be to contact your banker or mortgage broker and lock-in a guaranteed interest rate for the next 120 days. And then, happy house hunting!

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