



DS

DREAMSCAPE REALTY BROKERAGE INC.

SPRING &
SUMMER 2023
EDITION

*It's not about Buying or Selling a house
or a Piece of Property,
It's about Creating a Lifestyle...
YOUR LIFESTYLE!*



**THINGS TO CONSIDER WHEN
SELLING YOUR HOME**

TABLE OF CONTENTS

- 3** 5 Reasons to Sell This Summer

WHAT'S HAPPENING IN THE HOUSING MARKET?

- 5** Dispelling the Myth About Home Affordability
- 6** Empty Nesters: Best to Remodel or Time to Sell?
- 7** Home Buyer Demand Will Be Strong For Years to Come

THE HOUSING MARKET FORECAST

- 8** 2 Factors to Watch in Today's Real Estate Market
- 9** How a Lack of Listings Impacts the Market
- 10** What Does the Future Hold For Home Prices?
- 11** It comes Down to Supply and Demand

WHAT TO EXPECT WHEN SELLING YOUR HOUSE

- 12** The Role Access Plays in Getting Your House Sold!
- 13** Is Your House Priced to Sell Immediately (PTSI)?
- 14** The KonMari Method: Helping You Prepare Your House For Sale

PICK THE PERFECT PARTNER

- 15** Why You Shouldn't For Sale By Owner
- 17** 5 Reasons to Hire a Real Estate Professional



5 Reasons to Sell This Summer

Below are five compelling reasons listing your home for sale this summer makes sense.

1. Demand Is Strong

Jill Oudil, Chair of CREA, said, “Buyers are re-entering, coming off the sidelines as the intense market conditions of recent years have not gone anywhere; they’ve just been on pause.” In the March CREA report, Shaun Cathcart, CREA’s Senior Economist, indicates that sales are trending up as markets have tightened considerably, and when you factor in that the Bank of Canada recently increased rates by 0.25%, bring the overnight rate to 4.75% (reversing its previous statement to pause rate increase, the MLS Home Price index is stabilizing across the country.

Take advantage of the buyer activity currently in the market.

2. There Is Less Competition Now

Housing inventory is still under the 6-month supply needed for a normal housing market. This means that, in the majority of the country, there need to be more homes for sale to satisfy the number of buyers in the market.

Historically, a homeowner would stay an average of six years in their home. Since 2011, that number has hovered between nine and ten years. Many homeowners have a pent-up desire to move as they could not sell over the last few years due to a negative equity situation. This trend will continue, as some owners are now overleveraged as Mortgages are renewing at higher rates.

Many homeowners were reluctant to list their homes over the last few years, fearing they would not find a home to move into. That is all changing as more homes come to market at the higher end. **The choices buyers have will continue to increase. Don’t wait until additional inventory comes to market before you decide to sell.**

3. The Process Will Be Quicker

Today's competitive environment has forced buyers to do all they can to stand out from the crowd, including getting pre-approved for their mortgage financing. This makes the entire selling process much faster and simpler as buyers know what they can afford before home shopping.

There Will Never Be a Better Time to Move Up

If your next move will be into a premium or luxury home, now is the time to move up! The inventory of homes for sale at higher prices has forced the luxury market into a buyer's market. This means that if you plan on selling a starter or trade-up home, your home will sell quickly, AND you'll be able to find a premium home to call your own!

According to CREA (The Canadian Real Estate Association) May 15, 2023, News Release Home sales recorded over Canadian MLS® Systems posted an 11.3% increase from March to April 2023, foreshadowed by smaller back-to-back gains recorded in February and March. The number of newly listed homes edged up 1.6% month-over-month in April, although the bigger picture is that new supply remains at a 20-year low. With sales gains vastly outpacing new listings in April, the sales-to-new listings ratio jumped to 70.2%, up from 64.1% in March. The long-term average for this measure is 55.1%

It's Time to Move on With Your Life

Consider why you decided to sell first and determine whether it is worth waiting for. Is money more important than being with family? Is money more important than your health? Is money more important than having the freedom to go on with your life the way you think you should?

Only you know the answers to these questions. You can take control of the situation by putting your home on the market. The time has come for you and your family to move on and start living your desired life. **That is what is truly important.**





Dispelling the Myth About Home Affordability

We have all seen the headlines reporting that buying a home is less affordable today than it was at any other time in the last ten years, and those headlines are accurate. But have you ever wondered why the headlines don't say the last 25 years, the last 20 years, or even the last 11 years?

The reason is that homes were less affordable than they are today, 25, 20, or even 11 years ago. Obviously, buying a home is more expensive. The number of newly listed homes edged up 1.6% month-over-month in April, although the bigger picture is that new supply remains at a 20-year low. With sales gains vastly outpacing new listings in April, the sales-to-new listings ratio jumped to 70.2%, up from 64.1% in March. The long-term average for this measure is 55.1% more expensive now than during the ten years immediately following one of the worst housing crashes in Canadian history.

Between 2013 and 2018, homes were generally appreciated in the range of 9.0% to 13.75% across our region, depending on the style of the home and where it was located. During the pandemic years 2019-2022, homes appreciated between 26.68% and 31.36% again, depending on style and location, which is completely unsustainable. We have seen the market correcting itself slowly, returning to the pre-pandemic appreciation levels, which will likely occur by the end of 2023, making this a good time to sell as values will continue to decrease gradually.

But let's give Affordability some context. When it comes to housing affordability, the CMHC recommends that total monthly housing costs should be no more than 32% of gross household income. To calculate this, we add the following figures together (Mortgage Cost, Property Tax and 50% of estimated utility cost)/Gross Household Income. Assume your Gross Monthly Household Income (GHI) was \$10,000 and you owned a \$453,500 home with a monthly mortgage payment of \$2,027; (assuming a 5% down payment @ 2.59% Mortgage over a 25-year Term). Your estimated taxes would be \$378/month and a Cost of \$47. Your affordability index would be 24.52%

Bottom Line

Home prices have started to slow their growth to more historic norms as interest rates have held steady. Both are indicators that affordability will remain steady or improve. Buying a house is an attainable goal in most markets since it is less expensive to buy today than it was during the 18-year stretch immediately preceding the housing bubble and crash.

Visit us online at www.dsrbi.com/Report to download our Current Monthly Market Activity Report



Empty Nesters: Best to Remodel or Time to Sell?

Your children have finally moved out, and you and your spouse live alone in a four-bedroom colonial (or a similar type of house). You have two choices to make:

1. Remodel your house to fit your current lifestyle and needs
2. Sell your house and purchase the perfect home

Many homeowners are deciding on number one based on the record of dollars spent on remodelling and renovations. But is that the best long-term solution?

If you live in a three- to four-bedroom home, you probably bought it when your children were the major consideration in determining family housing needs. Along with a large home, you more than likely also considered the school district, the size of the property, and the makeup of other families living in the neighbourhood (for example, you wanted a block with other kids your children could play with and a backyard large enough to accommodate that).

Remodelling your home to meet your current needs might mean combining two bedrooms to make one beautiful primary suite and changing another bedroom into a massive walk-in. The closet you always wanted. However, if you live in a neighbourhood that historically attracts young families, you may be dramatically undermining the value of your house by cutting down the number of bedrooms and making it less desirable to the typical family moving onto your block.

Research shows you will recoup only 64.4% of a remodelling project's investment dollars if you sell in the future.

Your home is at its highest value as it stands right now. Instead of remodelling your house, selling your current home and purchasing one built specifically to meet your current lifestyle and desires may make better financial sense.

This well-designed home will often give you exactly what you want in less square footage (*read: less real estate taxes!*) than your current home.

Bottom Line

If you are living in a house that no longer fits your needs, at least consider checking out other homes in your area that would meet your lifestyle needs before taking on the cost and hassle of remodelling your current house



Home Buyer Demand Will Be Strong For Years to Come

Much has been written about millennials and their preference to live in city centers above their favourite pizza place. Some have even gone so far as to say that millennials are a “*Renter-Generation*.”

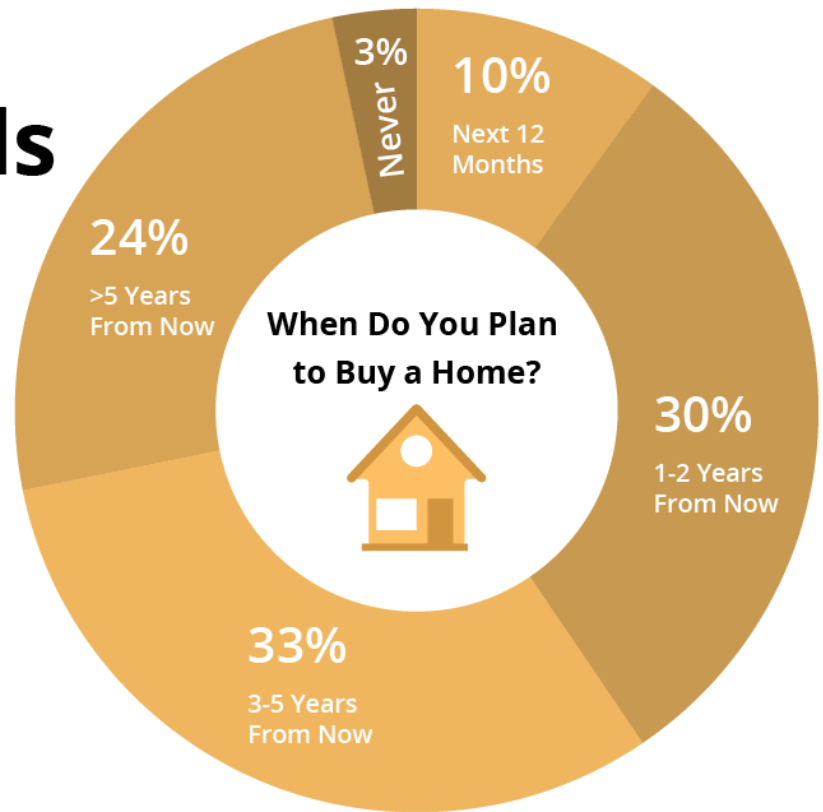
And while this might be true for some millennials, more and more research has surfaced that shows, for the vast majority, owning a home is a major part of their Canadian Dream!

Research shows that 66% of millennials who currently rent are **determined to buy a home!**

Renter Millennials

40%
Within 2 Years

73%
Within 5 Years



Seventy-three percent of those surveyed by Pulsenomics plan to buy a home in the next five years, with **40% planning to do so within the next two years!**

“Millennials want to own a home as much as prior generations,” said Ali Wolf, Director of Economic Research at Meyers Research. “We saw millennial shoppers scooping up homes in 2018 and 2019, and with the Pandemic now behind us, this continues..”

Bottom Line

This generation will continue to drive housing demand for years to come.

Visit us online at www.dsrbi.com/Report to download our Current Monthly Market Activity Report 7



2 Factors to Watch in Today's Real Estate Market

When it comes to buying or selling a home, there are many factors you should consider. Some of those factors are where you want to live, why you want to buy or sell, and who will help you along your journey. When it comes to today's real estate market, the top two factors to consider are what's happening with interest rates & inventory.

Interest Rates

The interest rate you secure when buying a home not only greatly impacts your monthly housing costs but also impacts your purchasing power.

Purchasing power is the amount of home you can afford to buy for the budget you have available to spend. As rates increase, the price of the house you can afford to buy will decrease if you plan to stay within a certain monthly housing budget.

The chart below demonstrates the impact rising interest rates would have if you planned to purchase a \$400,000 home while keeping your principal and interest payments between \$1,800-\$1,900 a month.

With each quarter of a percent increase in interest rate, the value of the home you can afford decreases by 2.5% (in this example, \$10,000). The current 5 yr Fixed Rate is 5.90%, and the mortgage rate is expected to increase as the BOC will likely raise rates one or two more times.

Buyer's Purchasing Power

RATE	Principal & Interest Payments				
	\$ 1,852	\$ 1,862	\$ 1,869	\$ 1,874	\$ 1,878
5.25	\$ 2,208	\$ 2,154	\$ 2,098	\$ 2,044	\$ 1,988
5.00	\$ 2,148	\$ 2,094	\$ 2,040	\$ 1,986	\$ 1,932
4.75	\$ 2,086	\$ 2,034	\$ 1,982	\$ 1,930	\$ 1,878
4.50	\$ 2,026	\$ 1,976	\$ 1,926	\$ 1,874	\$ 1,824
4.25	\$ 1,968	\$ 1,919	\$ 1,869	\$ 1,820	\$ 1,771
4.00	\$ 1,910	\$ 1,862	\$ 1,814	\$ 1,766	\$ 1,719
3.75	\$ 1,852	\$ 1,806	\$ 1,760	\$ 1,714	\$ 1,667
	\$ 400,000	\$ 390,000	\$ 380,000	\$ 370,000	\$ 360,000
		-2.5%	-5%	-7.5%	-10%

Principal & Interest Payments rounded to the nearest dollar amount

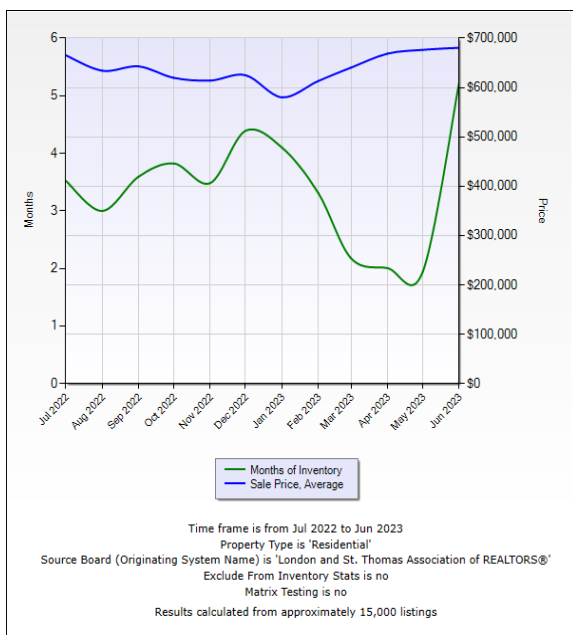


How a Lack of Listings Impacts the Market

Inventory

The housing crisis may be easing as the real estate market moves toward recovery. While values are up, there is some indication and concern on the horizon of an increase in bankruptcies which would lead to a temporary increase in distressed sales (*foreclosures and short sales*). The market will continue to strengthen in 2023.

However, one thing may cause the industry to tap the brakes: a lack of housing inventory! Buyer demand naturally increases during summer, but supply has yet to keep up.



A 'normal' real estate market requires a 6-month supply of homes for sale for prices to increase only with inflation. According to the June 14 L-Star Report listing, inventory in May was two months' supply with an average sale price of \$675,441. This is still well below the 6-months needed), which has put upward pressure on home prices.

The Graph at the Left examines the relationship between Months of Inventory and Average Sale Price.

As you can see, when inventory increases, pricing tends to become a bit more stable and can fall.

As inventory tightens up, we head deeper into a Sellers Market with pricing escalating quicker, as you see with the change between March 2022 and June 2022. (Inventory in March April, and May was 2, with prices increasing from \$640,544 in March to \$676,441 in May.

Bottom Line

If you are thinking of selling, now may be the time. Demand for your house will be strong at a time when there is less competition. That could lead to a quick sale for a great price.

Visit us online at www.dsrbi.com/Report to download our Current Monthly Market Activity Report



What Does the Future Hold For Home Prices?

Home prices are at the top of everyone’s minds. Can they maintain their current pace of appreciation? Will mortgage rates impact home values? Will the next economic slowdown cause prices to crash?

Let’s try to answer these questions based on what has happened in the past and what we know about the current real estate market.

While the Bank of Canada has been worried about the previous effects of looser policy and continues to battle inflation to get inflation under 2%, the goal is becoming more unattainable as it responded by increasing the overnight rate by 0.25% to 4.75%. We may see one or two additional increases before the year's end. Housing prices continue to correct themselves, and I think we will see a return to an Annual Appreciation in value of between 9.0% and 11.5 % per year, depending on the style and location of the property, which will result in a projected 11% to 18% decrease in value again depending on style and location of the property over the 2022 Fiscal year.

However, it’s not all doom and gloom, at the 10 Year Annual Appreciation will still outpace the pre-pandemic increases by between 3.0 and 4.5%

ANNUAL AVERAGE SALES VALUE FOR PRE-PANDEMIC AND PANDEMIC YEARS									L-STAR REGIONAL REPORT	
HOUSE STYLE	2013	2018	2019	2021	2022	May-23	% CHANGE	% CHANGE	NOTES & ASSUMPTIONS 2013-2018 represents the Pre-Pandemic Years 2019-2022 represents the Pandemic Years	
	ACTUAL VALUE	ACTUAL VALUE	ACTUAL VALUE	ACTUAL VALUE	ACTUAL VALUE	ACTUAL VALUE	ACTUAL 2013 2018	ACTUAL May-23 2013		
ALL RESIDENTIAL	\$244,711	\$366,920	\$407,491	\$636,369	\$698,289	\$675,728	9.99%	17.6%		
DETACHED	\$265,561	\$402,890	\$436,882	\$693,859	\$756,370	\$744,448	10.34%	18.0%		
SEMI-DETACHED	\$167,094	\$263,032	\$307,912	\$503,815	\$560,993	\$556,948	11.48%	23.3%		
TOWNHOME CONDO	\$178,018	\$272,063	\$325,800	\$516,795	\$574,290	\$547,318	10.57%	20.7%		
APARTMENT CONDO	\$165,482	\$199,555	\$262,280	\$375,316	\$422,016	\$429,890	4.12%	16.0%		
ANNUAL PROJECTED AVERAGE SALES VALUE BASED ON % CHANGE ANNUAL ACTUAL 2013 TO 2018 PRE PANDEMIC TIMEFRAME									L-STAR REGIONAL REPORT	
HOUSE STYLE	2018	2019	2020	2021	2022	Q1-2023	% CHANGE	% CHANGE		
	ACTUAL VALUE	PROJECTED VALUE	PROJECTED VALUE	PROJECTED VALUE	PROJECTED VALUE	PROJECTED VALUE	PROJECTED May-23 ACTUAL	PROJECTED Q1-2023 May-13 ACTUAL		
ALL RESIDENTIAL	\$366,920	\$403,568	\$443,877	\$488,211	\$536,974	\$590,607	-12.60%	14.1%	9.99%	I used the % Change Annual to Actual 2013 to 2018 from above to forecast the Projected 2023 Values for each style of home.
DETACHED	\$402,890	\$444,560	\$490,539	\$541,274	\$597,256	\$659,028	-11.47%	14.8%	10.34%	
SEMI-DETACHED	\$263,032	\$293,236	\$326,908	\$364,448	\$406,297	\$452,953	-18.67%	17.1%	11.48%	
TOWNHOME CONDO	\$272,063	\$300,808	\$332,591	\$367,731	\$406,585	\$449,543	-17.86%	15.3%	10.57%	
APARTMENT CONDO	\$199,555	\$207,773	\$216,329	\$225,238	\$234,513	\$244,171	-43.20%	4.8%	4.12%	

It Comes Down to Supply and Demand

As always, home prices will be determined by the demand to purchase compared to the available inventory of homes for sale.

There are currently small signs that housing inventory is slowly beginning to increase. According to the CREA Statistical Activity Report for the L-Star Region (London & St. Thomas) there has been a gradual increase the Number of New Listing from 429 In December to 1,485 at the end of May. As for Months of Inventory, we have seen a Decline from 4.4 in December to 1.9 at the end of May. Both of these factors have contributed to the Gradual increase in the Average Sales Value from \$625,104 in December to \$675,728 as of May 31..

New construction data has also shown positive signs that inventory will be increasing.

As inventory begins to meet demand, we will see appreciation return to more normal levels.

SIX MONTHS COMPARISONS				L-STAR REGIONAL REPORT		ALL RESIDENTIAL STYLE OF HOMES			
CATEGORY	TIME PERIOD	VALUE	% CHANGE VS. PREVIOUS MTH.	% CHANGE VS	CATEGORY	TIME PERIOD	VALUE	% CHANGE VS. PREVIOUS MTH.	% CHANGE VS
				May-23					May-23
# OF SOLD PROPERTIES	Dec-22	326		-64.37%	MONTHS OF INVENTORY	Dec-22	4.4		126.16%
	Jan-23	374	12.83%	-59.13%		Jan-23	4.1	-7.00%	111.36%
	Feb-23	479	21.92%	-47.65%		Feb-23	3.3	-23.87%	70.64%
	Mar-23	751	36.22%	-17.92%		Mar-23	2.2	-52.17%	12.14%
	Apr-23	779	3.59%	-14.86%		Apr-23	2.0	-8.73%	3.13%
	May-23	915	14.86%			May-23	1.9	-3.13%	
# OF NEW LISTINGS	Dec-22	429		-71.30%	DAYS ON MARKET	Dec-22	4		126.16%
	Jan-23	894	52.01%	-40.20%		Jan-23	4	-7.00%	111.36%
	Feb-23	840	-6.43%	-43.81%		Feb-23	3	-23.87%	70.64%
	Mar-23	1,163	27.77%	-22.21%		Mar-23	2	-52.17%	12.14%
	Apr-23	1,071	-8.59%	-28.36%		Apr-23	2	-8.73%	3.13%
	May-23	1,495	28.36%			May-23	2	-3.13%	
# OF CURRENT LISTINGS END OF PERIOD	Dec-22	1,427		-19.42%	AVERAGE SALE PRICE	Dec-22	\$625,104		-7.49%
	Jan-23	1,530	6.73%	-13.61%		Jan-23	\$580,152	-7.75%	-14.14%
	Feb-23	1,582	3.29%	-10.67%		Feb-23	\$613,452	5.43%	-9.22%
	Mar-23	1,630	2.94%	-7.96%		Mar-23	\$640,382	4.21%	-5.23%
	Apr-23	1,555	-4.82%	-12.20%		Apr-23	\$668,786	4.25%	-1.03%
	May-23	1,771	12.20%			May-23	\$675,728	1.03%	
AVERAGE LIST PRICE	Dec-22	769,298		-0.87%	RATIO LIST PRICE/SALE PRICE	Dec-22	-23.1%		55.39%
	Jan-23	759,758	-1.26%	-2.10%		Jan-23	-31.0%	25.49%	108.54%
	Feb-23	740,072	-2.66%	-4.63%		Feb-23	-20.6%	-49.99%	39.04%
	Mar-23	732,348	-1.05%	-5.63%		Mar-23	-14.4%	-43.73%	-3.26%
	Apr-23	778,058	5.87%	0.26%		Apr-23	-16.3%	12.10%	10.06%
	May-23	776,041	-0.26%			May-23	-14.8%	-10.06%	

Bottom Line

We're seeing indications that price appreciation may be slowing, but the underlying fundamental housing market conditions support a natural moderation of house prices rather than a sharp decline.



The Role Access Plays in Getting Your House Sold!

So you've decided to sell your house. You've hired a real estate professional to help you with the entire process, and they have asked you what level of access you want to provide to potential buyers.

There are four elements to a quality listing. Access is at the top of the list, followed by Condition, Financing and Price. There are many levels of access that you could provide to your agent to be able to show your home.

Here are five levels of access that you could provide to a buyer with a brief description:

- **Lockbox on the Door** – This allows buyers the ability to see the home as soon as they are aware of the listing or at their convenience.
- **Providing a Key to the Home** – Although the buyer's agent may need to stop by an office to pick up the key, there is little delay in being able to show the home.
- **Open Access with a Phone Call** – The seller allows showing with just a phone call's notice.
- **By Appointment Only (example: 48-Hour Notice)** – Many out-of-town/province buyers and relocation buyers visit an area they would like to move to and only have the weekend to view homes. They may not be able to plan that far in advance or may be unable to wait 48 hours to be shown the house.
- **Limited Access (for example, the home is only available on Mondays or Tuesdays at 2 PM or for only a couple of hours a day)** – This is the most difficult way to show your house to potential buyers.

In a competitive marketplace, access can make or break your ability to get the price you want or even sell your house.

Is Your House Priced to Sell Immediately (PTSI)?

In today's real estate market, with more houses coming to market every day and eager buyers searching for their dream homes, setting the right price for your house is one of the most important things you can do.

According to CREA's L-Star Residential Statistical Activity Report, Home values have risen steadily since February 2013 with the largest increase coming in 2022 at 17.64%. Now that the Pandemic is behind us, values have been falling as the market is in a correction phase, as May saw a 9.34% decrease.

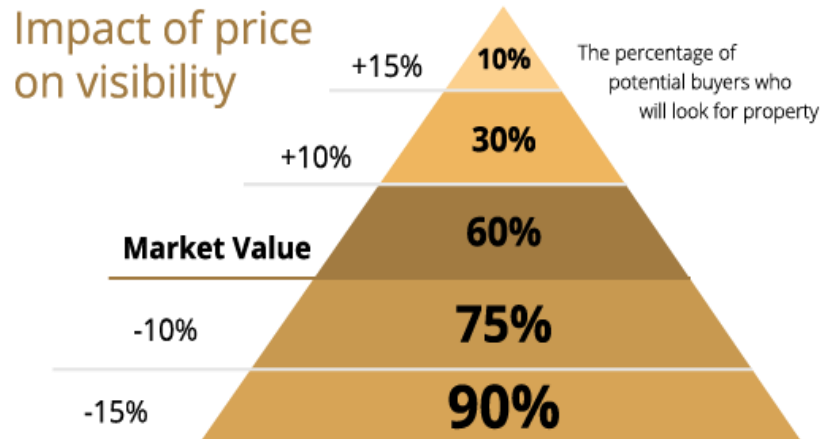
10 YEAR-OVER-YEAR COMPARISONS			AVERAGE SALE PRICE				L-STAR REGIONAL REPORT				BY STYLE OF PROPERTY		
HOUSE STYLE	May-13	May-14	May-15	May-16	May-17	May-18	% CHANGE	% CHANGE	% CHANGE	% CHANGE	% CHANGE	% CHANGE	
	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	May-13 May-14	May-14 May-15	May-15 May-16	May-16 May-17	May-17 May-18	May-18 May-13	
ALL RESIDENTIAL	\$252,363	\$259,357	\$275,578	\$275,118	\$343,159	\$367,197	2.77%	6.25%	-0.17%	24.73%	7.00%	12.74%	
DETACHED	\$271,434	\$278,268	\$299,964	\$307,721	\$375,939	\$403,393	2.52%	7.80%	2.59%	22.17%	7.30%	10.77%	
SEMI-DETACHED	\$170,177	\$170,850	\$180,671	\$187,629	\$230,249	\$286,841	0.40%	5.75%	3.85%	22.72%	24.58%	3.64%	
TOWNHOME CONDO	\$177,727	\$184,719	\$190,288	\$198,477	\$235,265	\$274,986	3.93%	3.01%	4.30%	18.54%	16.88%	13.60%	
APARTMENT CONDO	\$186,769	\$216,215	\$198,171	\$224,224	\$220,599	\$197,776	15.77%	-8.35%	13.15%	-1.62%	-10.35%	25.12%	
BANK OF CANADA RATE	1.25	1.25	1.00	0.75	0.75	1.50	0.00%	-20.00%	-25.00%	0.00%	100.00%	33.33%	
HOUSE STYLE	May-19	May-20	May-21	May-22	May-23	% CHANGE	% CHANGE	% CHANGE	% CHANGE	% ANNUAL CHANGE	% ANNUAL CHANGE	% ANNUAL CHANGE	
	VALUE	VALUE	VALUE	VALUE	VALUE	May-19 May-20	May-20 May-21	May-21 May-22	May-22 May-23	May-19 May-22	May-18 May-13	May-13 May-23	
ALL RESIDENTIAL	\$413,993	\$452,539	\$633,589	\$745,367	\$675,728	9.31%	40.01%	17.64%	-9.34%	26.68%	9.10%	16.78%	
DETACHED	\$446,822	\$482,921	\$690,379	\$804,631	\$744,448	8.08%	42.96%	16.55%	-7.48%	26.69%	9.72%	17.43%	
SEMI-DETACHED	\$297,271	\$328,585	\$502,638	\$570,334	\$556,948	10.53%	52.97%	13.47%	-2.35%	30.62%	13.71%	22.73%	
TOWNHOME CONDO	\$312,397	\$354,796	\$497,640	\$606,290	\$547,318	13.57%	40.26%	21.83%	-9.73%	31.36%	10.94%	20.80%	
APARTMENT CONDO	\$247,464	\$270,851	\$392,750	\$454,797	\$429,890	9.45%	45.01%	15.80%	-5.48%	27.93%	1.18%	13.02%	
BANK OF CANADA RATE	2.00	0.50	0.50	1.25	4.75	-300.00%	0.00%	60.00%	73.68%	PRE AND POST PANDEMIC COMPARISONS			

With prices slowing from their previous pace, homeowners must realize that pricing their homes a little OVER market value to leave room for negotiation will dramatically decrease the number of buyers who will see their listing! Instead of the seller trying to 'win' the negotiation with one buyer, they should price their house to maximize demand for the home. By doing so, the seller will not negotiate with a buyer over the price but will instead have multiple buyers competing over the house.

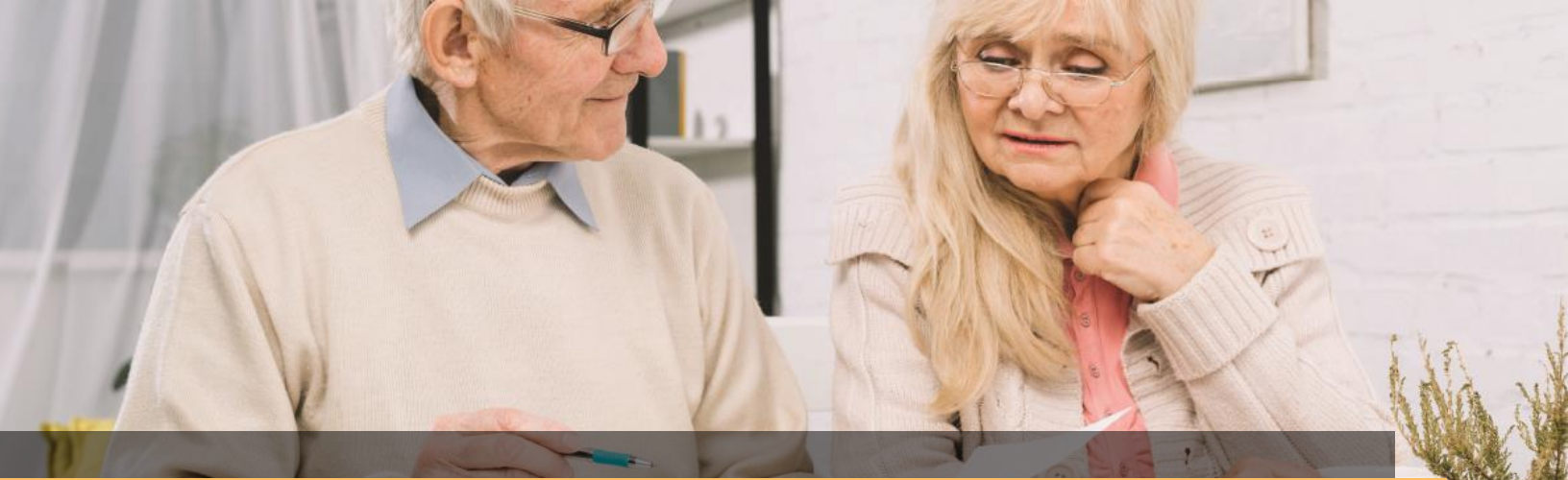
Bottom Line

If you are debating listing your house for sale, let's get together to discuss how to price your home.

Impact of price on visibility



The key to selling your house in 2019 is making sure your house is Priced To Sell Immediately (PTSI)! That way, your home will be seen by the most buyers and sell at a great price before more competition comes to market!



Why You Shouldn't For Sale By Owner

Rising home prices coupled with a lack of inventory in today's market may cause some homeowners to consider selling their home on their own (known in the industry as a **For Sale By Owner**). However, an *FSBO* might not be a good idea for most sellers.

The top five reasons are listed below:

1. Online Strategy for Prospective Purchasers

Recent studies have shown that 95% of buyers search online for a home. In comparison, only 13% use newspaper ads. Most real estate agents have an Internet strategy to promote the sale of your home. Do you?

2. Results Come from the Internet

Where did buyers find the home they actually purchased?

- 50% on the Internet
- 28% from a Real Estate Agent
- 7% from a yard sign
- 1% from newspapers

The days of selling your house by just putting up a sign and putting it in the paper are long gone. Having a strong Internet strategy is crucial.

3. There Are Too Many People to Negotiate With

Here is a list of some of the people with whom you must be prepared to negotiate if you decide to For Sale By Owner:

- The buyer who wants the best deal possible
- The buyer's agent who solely represents the best interest of the buyer
- The buyer's attorney (in some parts of the country)
- The home inspection companies which work for the buyer and will almost always find some problems with the house
- The appraiser if there is a question of value

4. FSBOing Has Become More and More Difficult

The paperwork involved in selling and buying a home has increased dramatically as industry disclosures and regulations have become mandatory. This is one of the reasons that the percentage of people FSBOing has dropped from 19% to 7% over the last 20+ years.

5. You Net More Money When Using an Agent

Many homeowners believe that they will save the real estate commission by selling on their own. Realize that buyers look at FSBOs mainly because they also believe they can save the real estate agent's commission. The seller and buyer can't both save the commission.

A study by *Collateral Analytics* revealed that FSBOs don't actually save anything. Sometimes, they may cost themselves more by not listing with an agent. One of the main reasons for the price difference at the time of sale is:

“Properties listed with a broker that is a member of the local MLS will be listed online with all other participating broker websites, marketing the home to a much larger buyer population. And those MLS properties generally compensate agents who represent buyers, incentivizing them to show and sell the property and again potentially enlarging the buyer pool.”

The more buyers that view a home, the greater the chance of a bidding war for the property. The study showed that the difference in price between comparable homes of size and location is currently at an average of 6%.

Why would you choose to list on your own and manage the entire transaction when you can hire an agent and not have to pay anything more?

Bottom Line

Before you decide to take on the challenges of selling your house on your own, let's get together and discuss your needs.





5 Reasons to Hire a Real Estate Professional



Contracts

They help with all disclosures & contracts necessary in today's heavily regulated environment.



Experience

They are well educated in and experienced with the entire sales process.



Negotiations

They act as a “buffer” in negotiations with all parties throughout the entire transaction.



Pricing

They help you understand today's real estate values when setting the price of a listing or an offer to purchase.



Understanding of Current Market Conditions

They simply & effectively explain today's real estate headlines & decipher what they mean to you.

CONTACT ME TO TALK MORE

I'm sure you have questions and concerns about selling your house.

I would love to talk with you about what you read here, as well as help you on the path to selling your house. My contact information is below. I look forward to hearing from you!



Darrel Elver

Broker of Record

DreamScape Realty Brokerage Inc.

darrel@dsrbi.com

www.dsrbi.com

Cell: 519-673-8023

Helping you to Create Your Lifestyle

