

London & St Thomas Real Estate Market Today and Tomorrow 2005



Low Interest rates and a stable local economy have contributed to a sustained “**Sellers Market**” in the London and St Thomas Real Estate Board area, for more than 2 years. This hi-intensity market shows few, if any, indications of a slow-down. There is still a nucleus of Buyers at all price levels ready to buy. Some of those Buyers, have been organizing their finances to get a mortgage, while others are waiting in the faint hope that prices will fall back. As each season passes, it becomes clearer that the time for lower prices was yesterday, not tomorrow.

The good news for both Buyers and Sellers is the relative stability in the London Real Estate Market. While prices have been moving up steadily and homes sales have been breaking records, price increases have been within reason. London has shown its traditional restraint. This conservatism in the London market ensures the homeowner's equity is protected. When the inevitable slow down in the market occurs; our prices in London are more likely to stay level rather than pull back.

Prices are likely to continue to move up in 2005. Homes that are priced aggressively (close to the expected selling price) will often see multiple offers resulting in a sale price at or above the asking price. Buyers will be forced to act quickly and the smart Sellers shouldn't have to wait for a good offer. Buyers who are waiting for the prices to drop, will be disappointed.

In spite of the strong **Seller's Market**, the intelligent Seller should avoid pricing their home too high. In an active market a home that doesn't sell quickly is seen as a problem home. Buyer's will question why it hasn't sold and refuse to put in an offer. Often the price must be reduced several times until it becomes bargain priced. Even at a bargain price, it's possible the Buyers will expect to negotiate to a lower price. The aggressively priced home is likely to get immediate attention and possible multiple offers. Most often, multiple offers will result in a selling price over the asking price. Even without a multiple offer the home that sells quickly will always sell for a higher price or full price.

Buyers need to prepare carefully in a **Seller's Market**. They must have their financing in order. They should try to study the neighbourhoods they want and the asking prices. If the Buyer has a feel for values in the area, they feel more confident when the time comes to make an offer. The best way to determine real values in a neighbourhood is by selecting an agent when you are starting to look. A good Real Estate agent is essential to determine the fair value of a home and to help in the negotiations.

Ron McDougall

1st London Real Estate Services
(519) -6885-4190 * Fax (519) 660-1813
ronmcdougall@rogers.com
www.ronmcdougall.com