

fall MARKET *forecast*

BY KARA KURYLOWICZ

Balance – that’s the key to the GTA’s fall real-estate market as buyers and sellers head into what is typically the year’s second-busiest season.

“This fall, we’re finally expecting to see a return to what is normal for the GTA – a sellers’ market,” says Joel Lazarus, a realtor with Coldwell Banker Terrequity Realty, Toronto. “If you bought last fall or winter, you may have enjoyed the last buyers’ market we’ll see for a while.”

So, what’s in the forecast? “It’s expected that the fall market will stabilize as consumer confidence prompts more listings, which will alleviate the upward price pressure and multiple-offer situations,” says Frank Leo, Broker with RE/MAX West, Toronto.

The fall market, which runs from early September to the end of November, is typically the second-strongest season after the spring real-estate rush, but fall tends to see more activity in early

and mid-season to facilitate January school registrations and ensure a move-in prior to winter holidays.

As the leaves turn, first-time buyers will continue to drive the market as low interest rates make home ownership a real possibility for renters who have always dreamt about putting that rent money toward a mortgage, says Bruce Witchel, Realtor with Sutton Group – Summit Realty Inc., Mississauga. As well, upgraders and down-sizers will remain powerfully motivated by low interest rates that ensure affordability and plenty of opportunity.

First- and second-time buyers as well as down-sizers have certainly helped to push spring/summer prices up in the face of low inventories, but realtors like Leo, Witchel and Lazarus all indicate that prices have finally returned to normal, and are expected to remain stable through the fall.

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time for anyone who wants to buy,” says Lazarus.

Yet like the weather, just how much fall house prices level off is impossible to forecast to 100-per-cent certainty, as no one knows how sellers will react. If cautious sellers continue to embrace a wait-and-see attitude, prices may increase. But if sellers heed word



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that the recession has ended, buyers could be welcoming new listings and possibly even greater price stability.

“Prices and listings are linked, but equally unpredictable, so don’t try to time the market,” says Leo. “Most consumers will both buy and sell in either a buyers’ or a sellers’ market. In such cases, the buyers’ market sees lower prices, while prices will be higher in the sellers’ market. Unless you buy in one market and sell in another, it balances out. Consumers tend to lose sight of that, but good agents remind them of that reality.”

Buyers who want to negotiate the best possible price on a property should consider a home hunt between mid-November and Boxing Day. Although there may be fewer listings and less choice than at other times of the year, there will also be less competition for the available properties, as most consumers socialize, shop and celebrate the holidays.

Should inventory levels remain less than ideal, agents and their clients will be facing more multiple-offer situations and potential price increases. For example, in Newmarket, Lazarus and his clients successfully beat six other offers to close on a \$250,000 starter townhome. In the Richmond Hill area, Lazarus was able to show a family just two townhomes/

semis in the \$424,000 price range compared to the 10 units that would typically fit the bill in a more normal year. In central districts like Sheppard Avenue to Steeles, and Yonge to Victoria Park, Lazarus would generally peruse a pool of 150 to 200 freehold units, yet last month, he was searching just 40 to 50 units.

“Unless inventory levels rise significantly, we’ll continue to see multiple offers because buyers are clamouring for properties with the knowledge that homes have been selling within a week or two of listing,” says Lazarus.

While multiple offers are less common in the west and north districts than in central, Witchel points out that they do happen. “Even in this market, the seller needs to recognize that his or her home is worth only what someone is willing to pay for it, and that consumers with good agents who provide a thorough Comparative Market Analysis will be very aware of true market value.”

Despite the challenges created by a combination of low inventory levels and pent-up demand, strategic realtors will find solutions. As soon as his clients listed their home, Witchel started looking for their next property. “I knew their current home would sell quickly and in this market, it would

take more time and effort to find their next one,” says Witchel, who showed them 20 homes in four weeks. Midway through the process, Witchel could tell that frustration and impatience were setting in and that his clients were on the verge of settling for a home they didn’t love.

“They get tired of it and they get emotional, so I try to keep them focused on a property’s tangible pros and cons as well as the financial realities, because settling isn’t good for anyone,” says Witchel. “Eventually, the process, patience and persistence will pay off and ensure they avoid mistakes that may ultimately be costly, time-consuming and unpleasant. The buyers’ agents do have to work harder when the inventory is low, but if they do, they’ll find the home that fits the bill.”

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