



EMMERSON
HOMES

There's no place like home

DON'T CHANGE YOUR PLANS....

Change Your Expectations

There's been much doom and gloom reported in the media about the impact of interest rates hikes on affordability, purchasing power, demand and housing prices. Market conditions have changed and they did so within a matter of a few short months.

This is unfamiliar territory for Toronto and these changes present some challenges for both buyers and sellers.

For buyers, securing financing is becoming more challenging. With current interest rates hovering around 5¼% and stress testing up around the 7% mark it's easy to see how these dynamics have impacted purchasing power. People can afford less in the current rate environment and many are waiting for what they think will be a further drop in housing prices.

Sellers are shell shocked at the swift and substantial change in market conditions. Bidding wars are few and far between and selling prices have adjusted downward as a result. Properties are sitting on the market for weeks/months not days.

**It does seem gloomy but allow me to offer some perspective
and a few tips to help you navigate this market.**

NICOLE EMMERSON | SALES REPRESENTATIVE | 416.721.6435



If you are buying...

Believe it or not this is a fantastic time to buy.

Here are a few things to consider:

1. Interest rates have been increasing and home prices are decreasing. This creates an offset effect and there are huge savings to be had over the longer term.

Lower purchase prices =

- Lower land transfer costs
- Lower down payment requirements
- Less money borrowed
- Lower monthly mortgage payments in some cases

This is a win! Mortgages are a long term commitment so mortgaging less money will cost you less over time and help you pay your mortgage off sooner. Plus you get the benefit of more money being directed towards your principal when rates start to fall.

2. Getting a mortgage in a higher rate environment can be tough.

- Have your financial house well in order before you meet with your lender
- Carefully analyze your numbers so you have a firm handle on your budget
- Explore all your financing options with a qualified mortgage broker; where there's a will there's a way!
- Readjust your purchase expectations; embrace compromise

3. Buyers often become sellers.

- Adjust your sale price expectations; if you buy low expect to sell for less as well
- As long as you're buying and selling in the same market you'll be fine

4. Don't wait.

- There are significant opportunities out there for buyers at the moment
- Think beyond the sparkly white kitchen and spa baths; you can create these in time
- No one has a crystal ball and you might miss a great opportunity if you're waiting for the "bottom."

If you are selling...

Real estate is a local game.

Don't get dragged down by national, provincial or even city stats. These are general in nature and don't take into account the very real differences that exist from one side of a street to the other let alone from one community, town or province to another.

Selling prices and demand for housing in your specific neighbourhood may be less impacted than the media would have you believe.

1. Get educated

- Rely on a competent real estate agent to educate you about your neighbourhood
- Understand your **list to sale ratios** which show the percentage of list price that a house sold for (over & under asking)
- Understand your **days on market** which shows how many days properties are sitting on the market before selling

These stats can be very different between neighbouring communities even within the same district so getting a handle on this information will give you a more accurate view of where you stand and help you make informed decisions.

2. Price properly

- Pay attention to your local neighbourhood stats and price according to current market conditions.

3. Ensure your house shows 10+

- You want your property to be in the top three relative to your local competition.
- With more inventory available buyers can afford to be picky

4. Adjust your expectations

- Forget about what happened last year or even last quarter.
- Be realistic about price and selling time frame.

5. Buying before you sell

- If you plan to buy before you sell protect yourself
- Investigate your financing options and develop a Plan B should you find your house is taking longer to sell than anticipated.

The Bottom Line

Real estate is cyclical. Rates rise and fall. Markets change.

The key to success in a quiet market is:

- Education
- Preparedness
- Patience
- The ability to embrace and work with current market conditions

DON'T CHANGE
YOUR PLANS....

Change Your Expectations



EMMERSON
HOMES

There's no place like home

NICOLE EMMERSON | 416.721.6435 | nicoleemmerson@royallepage.ca | www.theresnoplacelikehome.ca

Office: 416.762.8255 | Fax: 416.762.8853 | 2320 Bloor St. West, Toronto ON M6S 1P

