

Dear Clients,

I hope everyone had an excellent holiday. In 2018 we experienced a lot of volatility in the market, I thought I would start the 2019 mail out with some tips on how to personally regulate yourself when making a decision in this environment.

Anyone who's ever purchased or sold property knows the real estate industry is a fickle one. Changing demographic makeups, economic conditions, interest rates and other factors play a role in how "good" the market is for a buyer or seller, and in a few short years, prices in any given area can dramatically shift.

Despite the ebbs and flows of local and national real estate markets, there are certain things about the homebuying and selling process that remain constant. Below are tips for prospective buyers and sellers that, according to experts, hold true regardless of market conditions.

1. Always Conduct Thorough Research On The Current Market

Although real estate values fluctuate due to local supply/demand dynamics and broader national economic considerations, it's important to remember that properties always sell for no more or less than what the market will bear at that time. Whether buying or selling, do your research, plot your data points, use a variety of resources so that you're confident in your list or offer price.

2. Don't Reject Low-Priced Offers Without Negotiating

Selling your home can feel like giving up something you love, so a low-priced offer can leave sellers feeling insulted. Homebuyers base their offer price largely on their own affordability, but will consider raising it if the location is just right or if there is value in renovations already done. Stay open to negotiations and working with the buyer rather than turning down a low-priced offer.

3. Buy Whenever You Can

There's never a wrong time to buy. There is only a wrong time to sell. If you look at real estate trends over the last century, prices go up and down and we have booms and busts. The buyers who win are the ones



willing to ride the wave, see a purchase through the cycle. Buy when you can, and hold till the sale is profitable.

4. Get Into The Rental Market Where It Makes Sense

People will need shelter for the rest of their lives. With the life expectancy continually increasing, that's a lot of rent to be paid. Buy what you need now and do it in an area where the population is on a rising and sustainable course.

5. Always Invest Based On Location

Regardless of the interest rate or transaction environment, good locations with strong demand and access to transportation infrastructure will continue to outperform in the long run. Location is certainly a factor telling you where to invest. Interest rates and transaction volumes are better indicators of when to invest.

6. Find Trustworthy Partners In The Real Estate Process

In an industry that is heavily commission-based, it is very important to find and work with trustworthy and genuine individuals who will have your best interest at heart over their own pocket.

7. Keep Your Home's Condition Pristine If You're Looking To Sell

Well-maintained houses always sell faster, even in a slow real estate market. Buyers appreciate houses that look move-in ready and are updated versus those that need a lot of work. In a hot real estate market, most houses sell quickly. But during a cooler market period (which we in Calgary are experiencing currently), buyers can get very picky, so it will be the nicer ones that continue to sell.

8. Be Selective And Don't Be Afraid To Walk Away

The old real estate adage is true: You make your money when you buy, not when you sell. By being selective about your real estate purchases and using larger amounts of cash in the transactions, you insulate yourself from the ebbs and flows of the market. Deals don't always



work, so do not be afraid to step away. Sometimes the best investment to protect principal is no investment at all.

9. Approach Negotiations From A Collaborative, Not Competitive, Standpoint

It's a mistake to go into real estate negotiations thinking that the other side is your adversary and to be fixated on a specific price. The goal should always be working together to come to an agreement that satisfies both parties. Digging in your heels can sabotage a negotiation. Take a step back and put yourself in their shoes. What's a win-win for everyone?

10. Find An Experienced Local Real Estate Agent

This one really needs no explanation. Do your homework.

11. Remember That A Home's True Value Is Determined By The Buyer

No matter what the market conditions are, one aspect always remains the same — the true market value of a home is only equal to what a buyer is willing to pay. Just because a seller believes their home is worth a certain amount of money, it does not mean that the ask will be equal to what a buyer believes to be an appropriate "bid" price.

I hope you enjoyed this little read.

Have a great 2019 and please do not hesitate to ask me any questions.

