



ADAPTING TO A SOFTER MARKET

by Peter Dolezal [The Naked Homeowner](#)

In last month's column I contrasted the catastrophic meltdown of the U.S residential market with the much more modest, typically cyclical, softening of the Canadian and, closer to home, Greater Victoria markets. No cause for Canadians to panic, was my conclusion.

Canadians should nevertheless, *not* be complacent. This is not the buoyant market we have come to expect over much of this decade. As buyers or sellers we must adjust our approach to the market, sometimes very significantly.

If you are a SELLER who *must* sell regardless of softening market conditions, be realistic. Although some realtors continue to deny it, we are now clearly in a Buyer's Market. Ignoring that fact may cost you.

Your listing will be competing for fewer buyers, against many more sellers than existed just a few months previously. In Greater Victoria today, there are some 40% more homes listed for sale, and 20% fewer sales than just 12 months ago.

Pricing your home at the *real* market level, rather than making several subsequent price adjustments, will increase your odds of achieving satisfactory results. Select the best-possible real estate agent to represent your interests. Beware those who suggest listing your home at a much higher price than other market estimates you have received. Staging your home for sale – always important, is even more so in a highly competitive market. More than ever before, with fewer buyers and more homes on offer, your home needs to stand out among the pack.

As a BUYER, you really are now in the driver's seat. You can take your time to shop around, compare all options, and achieve great value.

If you are a FIRST-TIME BUYER, don't wait another year, thinking you may do better in future. If you can afford a home today, shop today. Timing the real estate market, indeed any market, is strictly a gamble. Always keep in mind that residential real estate is your home first, and an investment second.

For those wishing to TRADE-UP from their present home, a softening market such as ours may present an excellent opportunity. The prices of higher-value homes tend to drop by a greater percentage than those of the more affordable, lower-priced ones. In selling a home for \$350,000 and upgrading to a \$500,000 home for example, you are likely to pick up a significant differential-value advantage.

Every market presents both opportunities and challenges. Most important however, short-term trends in values should *not* cause panic or overreaction. They should be viewed in the context of longer-term investment values.

Greater Victoria, including our Peninsula, will always have an advantage over the rest of Canada. More people always wish to move here, which bodes very well for the long-term value of our homes.