

HOW TO WIN WHEN BUYING AND SELLING....

TIMING IS EVERYTHING!

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Have you ever heard the expression "Location, location, location"?

This expression is overused, misused and definitely misunderstood. It implies that, as long as you buy in a good location, you will probably see some capital appreciation on your investment. This is NOT necessarily so. I have seen property owners who own property in prime real estate locations who have tried to sell and were shocked to find out that the TIMING just wasn't right, there just weren't enough buyers in the market at the exact time they decided to sell. So doesn't that disprove the location, location, location argument? You bet it does!

I have also seen buyers that tried to buy property in fair, not prime locations and were shocked to find out that because the timing was wrong for them (too many other buyers in the market or too few homes on the market) they were being asked to pay top dollar for a home in a mediocre location.

Timing is everything when buying and selling real estate. Gone are the days when you could just say that choosing the right location was the key to buying real estate. Timing the market correctly can help a buyer buy for less and a seller sell for more.

Here's how it works:

When buying a home, have your real estate agent search the MLS to see how much inventory is available in your particular price range. Then have them search for how many houses have sold in that price range. If there are 100 houses on the market but the sales are very low (only 10 sales) for that price range then chances are the sellers of those homes may be somewhat flexible as they are probably not getting a lot of activity on their property. With 100 homes for sale and only 10 sales in that price range the sales ratio is 10%. This is definitely an advantage for the buyers. Now if those numbers were 100 homes for sale and 90 sales then the sales ratio would be 90% and that would be an advantage for the seller and disadvantage for the buyer. This means the sellers are getting a lot of activity and high sales. These ratios are the most accurate reflection of what is really going on in the market.

A buyer should not be looking just at location but also at supply and demand. A good real estate agent will calculate the sales ratios in your price range to give you the competitive edge.

Special points of interest:

➤ *Timing is everything in real estate buying and selling.*

➤ *Researching sales ratio numbers can be worth thousands in your pocket.*

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If you are selling your home and want to have an advantage then you too must look at sales ratios. If there are many other homes like yours on the market your competition will be higher and if sales are low then the sales ratio numbers will also be low and a disadvantage for you. If you have your real estate professional calculate the sales ratios and you see that there are 100 listings but 90 of them have recently sold then it is safe to assume that your home has a very good chance of selling.

Have you ever seen a list of homes that have sold in your neighborhood and been shocked to find that your next door neighbor, who has the nicest home on the block, sold for a lot less than the other neighbors with houses that you thought couldn't compare. Well, there are only 2 reasons that house would have sold for less. You either had a very motivated seller or there were fewer buyers in the market at the exact time your neighbor put their home on the market.

This was a disadvantage to that neighbor. Stop just looking at other comparable homes when you go to sell and start focusing on the real market, how many buyers are in the market at this exact time, this affects greatly the supply and demand principle.

Investors look at sales ratio numbers to give them buying and selling opportunities. Many investors sell when the sales ratios are high (80% and higher) so they can realize a higher sales price. They also like to buy when sales ratios are low (20% or lower) so they can negotiate and get a better deal. You don't have to be an investor to do this. You must, however, have a real estate professional that knows how to calculate sales ratios.

Watching sales ratio numbers is the best way to read the market when buying and selling real estate. It is all about **TIMING!**



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