

When is the Best Time to Sell Real Estate?

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In a perfect world the best time to sell real estate is when the market is high and the best time to buy is when the market is low. Unfortunately, reality doesn't always work out quite so simply and to buy and sell several years apart may leave you with several years to ponder your next move. This report will explore several ideas on when to sell including; Selling in Spring, When the market is High, When Interest rates are low and when you are Ready to Sell. Important factors when reading this report must include elements that are only related to your situation and may not have any bearing on the outside world.

Selling in Spring

Spring has traditionally been "the" time to sell.

Is it all that it's made up to be? It is definitely the season when a house presents the best. With flowers blossoming, grass usually green and the general feeling amongst people is positive, as the warmer season approaches. As Spring is so well known as being the time to sell, more people place their homes on the market to sell. More properties on the market, mean there are more properties to compete with. It's a simple rule of supply and demand. If the supply of houses on the market increases but the demand remains steady, this will mean a drop in prices, as extra vendors fight for the same amount of buyers.

In a perfect world extra buyers would be house hunting, but buyers look when they are ready to purchase (not because it is Spring time). Buyers are ready when; they can receive finance, when their job moves, when they want a change in the environment or if the home is simply getting to large or small for their family.

So although the season is a great time to have your property on the market, it doesn't necessarily equate to it being the best time to sell.

Selling When The Market Is High

It's always good to sell when the market is high, unless... you need to buy another property.

It is a fairly simple scenario; If you sell and buy in the same market it doesn't matter whether the market it is high or low as you are still in the same market. All the properties in the area are achieving high prices, or all the properties are finding the market difficult.

If on the other hand you are an investor who has bought up large when the market is falling and sells while the market is high, then you will be clearly be in front. But for most who are selling their home, it is generally to buy another property which means when the market is high, you may sell for the maximum price but you will also be paying a premium price for your next home.

Selling When Interest Rates Are Low

There are a variety of reasons why interest rates are low. Being low means they will affect the real estate market along with many other key market indicators. While interest rates are low, the result is most people will have extra disposable cash in their pocket each week after paying their mortgage. The Reserve Bank of Australia (RBA) who control Australia's interest rates (along with the uncontrollable global markets), attempt to use interest rates to stimulate the market, by keeping interest rates low.

When interest rates are high the RBA is then using interest rates to slow down the market place and cut consumer spending. If a market grows too big too quickly then this can cause the market to overheat, much like the boom in the late 1980's which led to the recession of the early 1990's. During the recession period, interest rates were low, but this was due to the market crash. Another effect of the crash was to bring the price of real estate down.

So selling while interest rates are low doesn't necessarily mean you will achieve the best possible price for your property.

When you are Ready To Sell

The best time to sell in most instances is when you are ready. Importantly not when you have to sell, but rather when you are ready to sell. When people buy first and then try to sell quite often results in pressure selling. Selling under pressure means selling at any price, regardless of if that price is the best possible price for your home. As the owner is desperate and needs to sell (definitely not the time to sell).

In many occasions people selling their home will be selling to move to upgrade or downsize. So in effect they will still be purchasing within the same market. This is often still the case if you are moving from Geelong to Melbourne and not merely changing suburbs within Geelong. The reason being is that we are part of the wide world and act inter-dependently with the happenings nationally or even globally. Generally speaking if the Melbourne market slows the Geelong market will also slow. The same can be said if the two markets grow. They may not grow at exactly the same pace but unless you're able to pick exactly when markets peak and trough you would be unable to assume which market will grow or decline faster than the other.

Conclusion

As you have read there are always uncertainties when placing a property on the market for sale. The selling of real estate is not a perfect science but it does help to have hard working, local people who have local knowledge and who know who the prospective buyers are, working to sell your property. Selling is about timing and nobody can know exactly when that one special buyer who will love your home is looking. So you can only aim to please one person, you. Essentially, the key is selling when you are ready.

If you have any questions in relation to selling your own home please do not hesitate to contact any of our experienced staff, we'll be happy to help. Call 5278 7011 and speak to the agents On Your Side.