

Hot, Normal, and Cold Markets

Hot Market -

This is an extremely competitive market, one that is advantageous to the seller. Sometimes, homes will sell as soon as they are listed or even before homes are listed. Typically, during a hot market, multiple offers will be made on each home and more often than not, homes will sell for more than their asking price. It is even more crucial to be prepared and to be ready as a buyer when the market is hot. It can be easy to get caught up in the bid for a home, but if you are prepared (pre-approved, solid in price range, realistic about your needs), it is easier to remain focused on your housing needs and price range.

Normal Market -

In a normal market, there is fairly a large number of homes available and an average number of buyers. This market does not necessarily favor the buyer or the seller. A seller may not have as many offers on their home, but he or she may not be desperate to sell either. Again, it is the buyer's responsibility to be prepared. During a normal market, the chances to negotiate are higher than in a hot market. As a buyer, you can expect to make offers at lower than the asking price and negotiate a price at least somewhat less than what the sellers are asking.

Cold Market -

In a cold market, houses may be listed for more than a year and the prices of houses listed may drop considerably. This market is advantageous to the buyer. As a buyer, you have the time to make an offer that works to your best interest. It is not uncommon to low-ball and to find that sellers are accommodating to meet your needs. Keep in mind that even though this market is a great time for buyers, you do not want to lose your dream home by being unrealistic. Your goal is to get your dream home at the best possible price.