



How To Navigate The Real Estate Market During The Offseason As A Buyer Or A Seller

During what is traditionally considered to be the offseason of the housing industry, buyers and home sellers still have the opportunity to take advantage of unique benefits.

Luca Piacentini
12/04/2019

The real estate market is cyclical. While the housing market continues to reach record highs in the United States—including the highest share of home sales bought by investors in the past two decades—seasonality still plays a major role. There are predictable housing market indicators that can be seen in all four seasons, with various times of year becoming synonymous with different market phases. Of course, there will always be exceptions, but whether you are buying or selling, it is important to know what to look for from season to season.

The summer is typically regarded as the prime real estate season. Buyers aren't bound by school commitments or cold weather restricting them from looking at properties. The busiest

four months—May, June, July and August—make up 40% of annual home sales volume, with an average of 2.1 million purchase transactions taking place during this period, according to data from the National Association of Realtors.

Now, as fall gets underway, the housing market is set to slow down. Still, just because the market is slowing down doesn't mean it isn't a good time to get involved.

How To Navigate the Offseason as a Buyer

For buyers, real estate seasonality tends to favor those in a position to buy when the weather starts to cool off a bit. If summer has become known as a great time to sell a home, winter has become synonymous with a great time to buy.

“As a buyer, the offseason is your time to leverage,” said Rick Szekely, senior real estate agent at Redfin. “As competition typically sees a steep decline after the summer rush, the lower demand will almost always result in a lower price point. Many developers are looking to close before the end of the year as they can't begin to reinvest in the property until it is sold. During the last six weeks of the year, keep an eye out specifically for empty estates or foreclosures, as those tend to have developers looking to get rid of the property.”

Szekely also points out that the offseason is a prime opportunity for buyers to educate themselves on the market in their area. “When the market slows down, buyers are afforded the luxury of having the time to understand the financial and personal attributes of each neighborhood,” he said. “In the spring, a buyer needs to make a decision immediately, so for buyers who are indecisive, sometimes the offseason is the only choice.”

The average seller premium drops to 4.7% in September, according to ATTOM Data, which is nearly half that of the peak in June. By then, many buyers with school-aged kids have likely found a home, so the sharp decline is no surprise.

How To Sell in a Buyers Market

The worst time of the year to sell a house is December, which ties with October at a 3.3 percent seller premium. The depths of winter tend to see home-buying activity come to a standstill as there are fewer and fewer houses available.

“If a seller needs to sell during the offseason, it is first good to recognize that all showings will be good showings,” said Szekely. “If someone is at the showing, it means they are serious about buying the property. This time period tends to generate a ton of meaningful feedback about ways to improve the value, pricing and appeal of a listing.”

During the holiday season, homes are sold less because of value and more because of a lack of competition. Prospective buyers are much more likely to participate in the housing market when their lifestyle permits and the winter begets a ton of excuses including holidays and school commitments for children.

According to Szekely, sellers should never leave a property listed past November 15, as a buyer can easily be turned off or persuaded to counteroffer if they see a listing that has been up for a long period of time. Instead, Szekely suggests that sellers take the winter months to respond to feedback and invest in renovations to make sure the property is primed for the spring.

Expect the Unexpected

“Unfortunately, the market has a tendency to pick up at different times every single year,” said Szekely. “It could heat up as early as mid-January or as late as the end of February. At Redfin, we prioritize technology to generate in-depth, hyper-localized data that ensures that we are prepared for the influx of buyers each year.”

Whether one is a buyer or a seller, the offseason has its upsides and its downsides. For sellers, it is a chance to appeal to serious buyers, renovate properties and collect data. For buyers, it is perfect to leverage the slow market, shop around and hopefully find the perfect home.