

How to Get the House You Want



Southern Home Buyers Sweeteners Guide

Plan to Win

Avoid Window Shopping

In a buyers market you can expect to have time to get the home you find that you like. Not so in a sellers market. In a sellers' market you'll want to be ready to make an offer quickly. You don't want to find the home of your dreams only to be caught off guard and unprepared. This will cause you to lose that home you really like.

These days you can get your fill of window shopping online. This will give you a pretty good idea of how much house you can get for your budget. Then, after your finances are in order, you can start touring homes. If you find the house you like you'll want to be ready to make an offer SAME DAY. Not tomorrow, not next week or next month. The house will be long gone by then.

Cash is King

The more cash you offer the more likely your offer will be accepted. There are two reasons for this. The first is that a cash buyer is lower risk. There are no hurdles to overcome in order to purchase the home. The second is that you can close quickly. This may appeal to your seller and gives you an advantage.

If you've sold a home and have cash to buy you can leverage that cash to be the strongest buyer. After closing you can mortgage some of the new home cost if you choose. When mortgage interest rates are low many home buyers will finance at least some of their mortgage because the cash is so cheap.

If you don't have cash to bring to the table then you'll want to be approved by your lender and ready to make an offer. You'll need to have your pre-approval letter to include with your offer.

A good place to start is shopping mortgage lenders. Your credit score will not lower by having multiple lenders pull your credit within a 30-day period. They will all be counted as one. After you compare and select your lender start working on getting the loan amount you want.

Over Asking Price Offer

In a sellers' market expect to offer 3% or more than list price. The higher percent of purchase that is being financed the higher over list price you need to offer to win. The exception to this is if a home has been on the market for longer than average. If this is the case, you can feel confident to offer list price or lower after confirming there are no other offers on the table.

Earnest Money Kicker

Plan to offer a portion of the Earnest Money as Non-Refundable. If any of your contingencies cause you to back out of the offer, then that portion remains with the sellers. For example, a \$10,000 EMD could have a \$1,000 non-refundable portion. This increases the trust of your offer with the seller and incentivizes them to choose you.

Inspection

Provide a short inspection period of 10 days with No Repair Requests. A huge factor in selecting a buyer is picking the buyer that won't be picky. This removes that fear. As protection to you, you can keep the Inspection Contingency while at the same time provide assurance to the seller that you won't be asking for repair costs.

Contingencies

The least amount of contingencies the better;

- home sale contingency
- financing contingency
- appraisal contingency
- inspection contingency (this one is a keeper in most cases as protection to you the buyer)

Skip the Home Warranty

In a buyers' market this would be offered. However, this is an easy one to remove in a sellers' market. You can purchase your own home warranty insurance which essentially covers the appliances.

Closing Costs

Offer to pay for all closing costs if you want to win the house. This will typically cost you an extra \$5,000 but it'll help get the house you want.

Closing Date

Sellers want the shortest closing date. If the purchase is being financed, then you will most likely need the typical 45 days for funding. If this can be shortened it would strengthen your offer. Shop lenders to get pre-approved with a short closing commitment. Once again, you can always refinance post purchase to get the lowest rates. The goal with the house purchase is shortest close time.

Lease Back Option

Many sellers want extra time, for free, to move out. Many times they will be using the proceeds to fund their replacement home. A great buying agent will always find out if this is important to them or not. If it is, then offering the time they need can make the difference in choosing your offer.

After you get the house you want – be sure to reward yourself with some real Southern Tea. Here's the original recipe:

ICED TEA.

After scalding the teapot, put into it one quart of boiling water and two teaspoonfuls green tea. If wanted for supper, do this at breakfast. At dinner time, strain, without stirring, through a tea-strainer into a pitcher. Let it stand till tea time and then pour into decanters, leaving the sediment in the bottom of the pitcher. Fill the goblets with ice, put two teaspoonfuls granulated sugar in each, and pour the tea over the ice and sugar. A squeeze of lemon will make this delicious and healthful, as it will correct the astringent tendency.—*Mrs. S. T.*