

Make Your Offer Stand Out

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Real estate consumers are realizing that there has rarely been a better time to buy a home. In fact, historically low mortgage rates coupled with lower home prices have even sparked bidding competition in markets around the country.

A good home in a solid location may attract ample attention only hours after being listed. Home buyers can make their offers stand out from the rest through one or more of the following strategies:

Price. Obviously, price tends to be the primary consideration for sellers. When you're competing for a home, to get an edge, think about adding a clause stating that you will beat the highest offer by "x" dollars up to "x" amount. Cash offers can be more attractive to sellers as well. Although sellers will receive their money at closing whether buyers pay with cash or take out a loan, cash offers don't require lender approval.

Financing. It's not enough to be pre-qualified. Pre-qualification only tells how much you can afford. Pre-approval goes a step further. Your lender will thoroughly evaluate your application—including verifying employment information and financial disposition—then clear you for a loan of a determined amount. Having your loan pre-approved gives you a sizeable advantage by putting you on equal footing with cash buyers.

Good Faith Deposit. Buyers offering a larger-than-customary amount of "earnest money," a deposit that accompanies an offer, may get a seller's attention. By committing more money up front, buyers demonstrate greater sincerity and motivation to close the

transaction. Your real estate professional can guide you as to the appropriate sum for your specific transaction.

Contingencies. Consider minimizing contingencies, those clauses that allow buyers to back out of a contract if certain conditions are not met. For example, it's common for buyers to make the purchase contingent upon their securing satisfactory financing. Obviously, offers with the fewest conditions tend to be more attractive to sellers.

From a contingency standpoint, first-time buyers are often better prospects for a seller's home than move-up buyers. That's because first-time buyers' offers are not contingent upon the sale of a present home. Even if a move-up buyer has an offer in hand, that buyer's offer may be contingent on another contingency, and so on down the line. If one transaction derails, they all might.

Relationship. Help the seller get to know and identify with you by looking for ways to connect. Find common interests, such as a shared appreciation of gardening. You can then persuade the seller that her prize roses will be well tended. Share brief family stories. The more the seller gets to know and like you, the better chance your offer will stand out in a competitive environment.

Considerations for Short-Sale and Foreclosure Transactions – Bank-owned properties represent a significant portion of today's housing inventory. Competition can be most keen for these homes as their prices can run 10% to 20% below current market value.

Banks conduct extensive research to set these prices and generally base them on current market value less the cost of required repairs. Make your offer based on your own

check of comparable sales and other due diligence. Banks won't get offended by a low offer, yet a realistic offer will more likely keep you in the running.

Remember, patience is essential when buying bank-owned property as the process can take up to six months and longer.

Work with your local Prudential Real Estate sales professional to buy your dream home or investment property. His or her knowledge, skill and expertise will help you make sound real estate decisions today or any other time.

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