

5 Powerful Buying Strategies

1. SELL FIRST, THEN BUY

Sell your home first! Contingent sales don't always work. Let's pretend you go house hunting and find the home of your dreams. You present an offer to the seller. You want the seller to reduce the price of the home and you want the seller to wait until your home sells. The seller feels uncomfortable with this as a "non-contingent" ready and able buyer may soon want to make an offer on the home. The seller agrees to do the contingency, but asks you to pay full price. Now you have to pay more for the home, because of the contingency, and you have to sell your existing home quickly or risk losing your dream home. To sell fast you might feel forced to take a lower offer than if you had more time. **SELLING BEFORE BUYING COULD SAVE YOU A LOT OF MONEY.** If you think there is not a home on the market to suit you, go window-shopping. You can identify possible homes and locations without falling in love with a specific home. If you feel confident after reviewing the inventory that you will be able to find a home to please you, then put your home on the market. If you don't, then wait. Continue to shop around!

2. GET "PRE-APPROVED"

You want to get the best home for your money, so make sure you are in a strong negotiating position. Price is one bargaining tool, but not necessarily the most important one. We used to recommend that our buyers get "PRE-QUALIFIED" by a lender. This means that the buyer spends a few minutes on the phone with a lender who asks a few questions. Based on the answers, the lender pronounces the buyer "PRE-QUALIFIED" and issues a pre-qualification letter that can be shown to a seller. **SUCH CERTIFICATES ARE WORTHLESS.** The information has not been verified.

If you want to make a strong offer, then get "PRE-APPROVED". This happens after all information has been checked and verified by your lender. You are actually approved for a loan and know how much you can spend.

Being "PRE-APPROVED" is a powerful negotiating tool!

3. FIND A GOOD AGENT - AND STICK WITH THAT AGENT!

When you enlist the services of an agent, that agent has a legal obligation to work hard for you. You become a client with all the rights, benefits and privileges created by this agency relationship. Your agent will try to get you the best deal possible on a property. The most important thing you can do is to have someone on your side, someone who is committed to working for you. Top agents today ask that a buyer sign a Buyer-Broker agreement. This is a formal contractual arrangement between you and the broker and is a strong two-way commitment. An agent armed with a Buyer-Broker agreement is motivated to work harder for you, as there is a formal commitment.

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4. GET THE HOME YOU WANT

Your agent should show you everything available that meets your requirements. Make sure you have seen enough properties to choose from, before making a decision. Be sure your agent gives you a complete list of properties available from the Multiple Listings. If your agent is not showing you properties that "feel right" to you, tell the agent, so the agent can make the appropriate changes.

5. BUY GOOD STRUCTURE

Before house hunting, make a list of things you want in your new home. Then make a list of things you don't want. Use this list to rate each property. The one with the biggest score wins! This helps avoid confusion and keeps things in perspective when comparing homes. Keep in mind the difference between "Cosmetics" and "Structure". Structural things are usually things that cannot be changed such as the location, view, size of lot, noise, schools and floor plan. The cosmetics represent things you can easily change such as carpet, color and wallpaper. Buy the house with good structure! Consider each house on its underlying merits, not the seller's decorating skills. We know that most buyers buy homes for what they can do to them, not how they are presented.

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