

5 Ways to Beat Out the Competition

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Don't be caught
in a bidding war

As the [real estate market](#) starts to pick up in many parts of the country, [real estate agents](#) from small towns to the big cities are blogging, tweeting, ranting and raving about multiple-offer situations.

A seller's asking price is just that: an asking price. The [seller](#) may choose to price their home above, at or well below what the actual market will bear. Then, with luck, come the offers from [buyers](#). Sometimes, there are multiple offers all under the asking price. Other times, all offers come in right around the asking price.

But in some situations, there are more than six offers coming in over asking price. Depending on where you live, you, as a potential buyer, may be forced to compete with other buyers in a bidding war. Here are five steps you can take to beat the competition in a multiple-offer situation.

Hire a good local agent

In most communities, 80 percent of the business is done by 20 percent of the agents. These agents are experienced in the local market and have relationships with other agents as well as [inspectors](#), [contractors](#), [mortgage brokers](#) and [appraisers](#). More than anything, these 20 percent of agents “get” it.

A seller is looking for a sure thing and a smooth, clean [escrow](#). With stakes high, who wouldn't want a sure thing? In fact, the last thing the seller (or their agent) wants is to enter into escrow with an inexperienced or out-of-the-area agent.

That's why, when faced with multiple offers, a seller, guided by their agent, may choose to work with a lower-priced offer because that buyer has a good agent. Many times, a lower priced offer will be countered up to match the price of a buyer with an unknown agent.

Get your financial ducks in a row before making an offer

Before you can make a strong and winning offer, you need to have your finances in order. This means being pre-approved for a [loan](#) and staying in regular contact with your [lender](#) or mortgage broker. Have an auto email alert set up from your real estate agent's MLS. Know the new listings as they hit the market and be prepared to visit them right away. Be ready to make a move when the right house comes along. An informed buyer has been in the market for some time. They've seen multiple properties, either at open houses or private appointments. They come to the multiple-offer situation fully prepared, knowledgeable of the market and ready to present themselves as a strong, motivated buyer. The seller and their agent will appreciate that.

Don't wait

Many times, a new listing is sold before the first open house. If a desirable property hits the MLS on a Tuesday, you need to see it Tuesday night or Wednesday morning. As agents tell sellers all the time, [your first buyer is likely your best buyer](#). The buyers who don't rest on their laurels get the home. They show that they are on it, they're motivated and they really want the property. This often translates into a successful deal or smooth escrow for the seller and the [listing agent](#).

If you're serious about buying and have your financial ducks in a row, don't wait for the open house. As soon as you see the listing, let your agent know you're interested or have them start doing the research.

Make a 'clean' offer

There's an assumption that the successful bidder simply pays the most money. But this isn't usually the case. While price is a huge factor, the terms and conditions are as important, if not more so.

To make your bid the most compelling, be as flexible as possible to the seller's needs. If you know the seller needs a quick escrow because they just bought a place, give it to them. If they just had a baby and need some extra time, go with a longer close or offer to close quickly but give them a "rent-back." If you're going to have inspections, check with the inspector and see if you can get an appointment soon after getting your offer accepted. That way you can remove your inspection contingency quicker.

The same holds true with an appraisal. If your lender is able to pre-schedule an appraisal or at least check their schedule, it can only help. The last thing a seller wants is to accept an offer, only to wait 14 or 21 days to discover the buyer can't get a loan or the leaky roof scared them away. Make your offer clean with swift timeframes for contingencies. There have been times when a seller leaves 2 to 3 percent on the table; just to be sure the deal will close "cleanly."

Present yourself in the best possible light

Presentation can't be emphasized enough. Make sure your agent presents your offer to the seller in a professional way. The offer should, when possible, be presented in person. A contract should be typed, not handwritten. Without a doubt, a pre-approval letter from your bank or broker should be attached to the offer. A cover letter from you or your agent presenting you, as buyers, to the sellers should always accompany your offer. If there are [disclosures](#) presented to you prior to your making an offer, sign off on them. Make it clear to the seller that you're serious, motivated and ready to move ahead should they choose to work with you.

Strong and clean is the way to go

It's the common sense stuff that will help differentiate you from the pack. Be up front, show that you're motivated and look at the big picture of your offer — not just the dollar amount.

Of course, many times the highest bidder wins. But every day, there are dozens of buyers who kick themselves because they would have paid the price that it took to win the bidding war. Presenting yourself and your offer in the strongest and most clean way will go a long way to assuring you come out on top.



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