

On the Home Front

Bi-monthly column by: Linda Skolnick

Increase the Likelihood of a Seller Accepting Your Offer

A great home in pristine condition may get scooped up hours after being listed. So when competition is fierce, you need to make your offer stand out from your competitors' offers. To increase the likelihood that a seller accepts your offer, consider adopting one or more of these strategies:

Price. Obviously, price tends to be the primary consideration for sellers. In a hot market, when buyers outnumber inventory, offers often come in at full price or above.. 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. And loan approval is never a certainty, and makes the seller take on more risk.

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. It will allow you to come in with an offer without a mortgage contingency.

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. Here's why: Very often, buyers' offers are contingent upon the sale of their 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. For instance, it may be through a shared appreciation of a certain style of architecture. The connection could be something as conventional as a shared love of gardening. You'll want to persuade the seller that his prize roses will be well tended.

Naturally, sellers would like to receive top dollar for their home, but remember, they also want an easy, trouble-free transaction. Thus, as a rule, the fewer the contingencies and the greater the commitment, the more attractive your offer may look.