



Sunday Column

By Kim Bragman, 2020 Chairman

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How to make the best purchase offer in a seller's market

You've worked with a REALTOR® to scour the listings, viewed what feels like a million houses and finally found it: the house you want to call home. The next step is to make your purchase offer, and if you are like most people, the prospect can be quite intimidating. In a seller's market, there can be even more pressure on the buyer to submit an impressive bid. So how can you make sure that the offer you submit is the one that is accepted?

In a seller's market, inventory is lower and home prices are a bit higher. This means you are more likely competing with multiple bidders. In a competitive market like this, buyers need every advantage they can get, and working with a REALTOR® to make the best purchase offer is a smart move. And, believe it or not, the bid with the highest price is not always the one that wins.

Of course, sellers want to get the best price for their home, but that isn't always the deciding factor. Eliminating or reducing the number of contingencies with your bid, through things like pre-offer inspections, can also help make your offer stronger. The bid that causes the least amount of hassle for the seller is the one that will probably win.

That doesn't mean, however, that you should just submit a below market offer with no contingencies. This is not the time to make a lowball offer. When you are going up against more than one potential buyer, it's the time to put your best foot forward. This might be your one chance to convince the owner to sell their home to you, so it's all the more important to submit your best possible purchase offer.

If you can pay cash for your home, the chances are better that your bid will be accepted. Sellers' appreciate all-cash offers as they usually mean a quick, streamlined purchase. Financing issues, such as delays in mortgage approval or getting funds moved from the buyer's bank account, are the primary causes of delays in the closing process. If a seller can avoid a lengthy or complicated process by choosing an all-cash buyer they likely will.

For most people, however, a cash offer isn't a possibility, and you'll need to qualify for some variety of mortgage financing. If this is your situation, get preapproved for a mortgage before you begin the search process. With loan preapproval, you'll be able to make a solid commitment to buy, and your offer will be more appealing to the seller.

And of course, the most important thing that you can do to give yourself an advantage is to hire a REALTOR®. REALTORS® have real insights and unparalleled knowledge of your local market and can help you navigate the complicated home buying process.

For more information on buying, selling, or leasing your home visit SABOR.com and use a San Antonio area REALTOR®.

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