



Sunday Column

By Cher Miculka, 2021 Chairman

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When you should offer over asking price on a home

When home searching buyers typically aren't eager to offer over asking price, but in some circumstances it may be necessary. These situations may imply that offering over asking price is essential, if you really want the home.

1. A Seller's Market

In a seller's market there are more buyers looking for homes than available inventory, which means buyers are facing more competition than usual. In this situation buyers have to act quickly and often offer more for a home than asking price. To determine if you are buying in a seller's market, consult with your REALTOR®, ask about the average days on market and if homes are typically selling for more than their listed price.

2. Multiple Offers

If you are interested in a home, have your REALTOR® find out if there are multiple offers on the listing. If there are this may be an indicator that you will need to put forth a strong offer, which can often mean over asking price.

3. A Well-Priced Home

In some situations a seller will list their home under market value to generate a bidding war. If you find a home listed under market value it is safe to assume that you will need to offer over asking price to be competitive.

If you are unsure if the price is under value consult with your REALTOR® about other home values in the area. That will help you determine if the home is listed below value and where you should set your price for an offer.

4. Cash Offers

Sellers are very attracted to cash offers, because cash offers guarantee that the buyer has the funds to close on the home. If you are competing with a cash buyer offering over list price could influence the seller to choose your offer.

5. When You Can't Risk Losing It

Have you found the home of your dreams that you would be devastated to miss out on? If so, this is the perfect situation to boost your offer amount. With an increase in your offer you show the seller that you are serious and really want the home.

6. *If You Can Afford It*

While offering over asking price may seem like the right thing to do, remember that you have to be able to qualify for your mortgage. During the mortgage approval process the home's value will be assessed and if it comes in under the value that you are willing to pay, you may not be granted the mortgage. Remember to work with your REALTOR® to determine the right offer price for you.

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

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