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Make a Winning Offer

Now that you've found your perfect home, it's time to get organized to make the best offer possible. Here are some things to consider:

Go local. Sellers and their Realtors® prefer to see preapprovals from local lenders. Local lenders have a known track record for being able to deliver on the loan promises, and local lenders understand the specific market and regulatory conditions that directly affect the property. Choosing a reputable local lender can give you an edge in competition. Ask your Realtor® for recommendations.

Remember your financial limits. Ensure your preapproval from your lender is current, and don't make any big purchases once you've been preapproved. Reviewing your finances now will keep your offer in perspective, and ensure you make an offer you can follow through on. This is especially true if there are multiple offers for the home you want.

Think like a seller. While you naturally want the most house for your money, the seller wants the most money for their house. You may have very different ideas from the seller on what the most valuable or attractive features of the house are. Talk with your Realtor® – he or she should be able to give you some insights into the seller's wants and goals.

Find a win for everyone. Remember the lesson learned as kids – that we need to learn to give and take, and do it gracefully? Your offer should do the same thing: ask for what you want, but find ways for the seller to feel they are winning too. Be prepared to compromise. It's not personal, it's a sale. Don't make it personal.

Keep it simple. Try to avoid padding your offer with unnecessary contingencies, or complicated terms and trade-offs. Do keep your inspection, loan and appraisal contingencies – but make the length of time for each of these as competitive as possible.

Love letters. A simple gesture can make the difference. Write a letter telling the seller what their home will mean to you if you lived there, and ask your Realtor® to include it with your offer. What features about the house and yard and neighborhood do you respond to? Why? How would you live in their home and make it your own? Most sellers are emotionally attached to their homes, and want to know the home will be well lived in and well cared for once they pass on the keys. A 'love letter' can give you an edge, especially if it is sincere.

Cool head, warm heart. Negotiating is the time for a cool head. No matter how much you love the home you've found, now is the time to think through the process, remember your limits and requirements. You may be trying to buy your dream home, but this is a business transaction. You'll be better able to understand the seller's intentions during negotiation if you keep your feelings in check, and think about how you each are trying to make the best deals.