

Your Realtor:



REAL ESTATE Update™

The Mr. Real Estate
Team

How to Save Thousands When You Buy

If you're like most home buyers, you have two primary considerations in mind when you start looking for a home. First, you want to find a home that perfectly meets your needs and desires, and secondly, you want to purchase this home for the lowest possible price.

When you analyze those successful homebuyers who have been able to purchase the home they wanted for thousands of dollars below a seller's asking price, some common denominators emerge. The skills, experience, and market knowledge of your Realtor are upper most important, but there are three additional key factors that come into play long before you ever submit an offer.

These Steps Will Help You Save Thousands When You Buy a Home

1. **Make sure you know what you want!** As simple as this sounds, many homebuyers don't have a firm idea in their heads before they go out searching for a home. In fact, when they go shopping for a place to live, there are actually *two* homes competing for their attention: **the one that meets their needs, and the one that fulfills their desires.** Obviously, the goal is to find *one* home that does *both*. But in the real world, this situation doesn't always occur.

When you're looking at homes, you'll find that you fall in love with one or another home for entirely different reasons. Is it better to buy the 4- bedroom home with room for your family to grow, or the one with the big eat-in kitchen that romances you with thoughts of big weekend family brunches? What's more important: a big backyard, or proximity to your child's school? **Far too often people buy a home for the wrong reasons, and then regret their decision when the home doesn't meet their needs.**

2. **Don't shop with stars in your eyes!** When shopping for a home, satisfy your needs first. If you're lucky, you'll find a home that does this and also fulfills your desires. The important thing is to understand the difference before you get caught up in the excitement of looking.
3. **Make sure you can gain access to all listings!** Work with a Realtor that offers a service which allows to independently view all available listings fitting your search criteria. This type of service takes all the guesswork out of finding a home that matches your needs. This type of program will cross-match your criteria with ALL available homes on the market and supply you with printed information on an ongoing basis.

To help you develop your home buying strategy, use this form:

What do I absolutely NEED in my next home?

What would I absolutely LOVE in my next home?

How Sellers Set Their Asking Price

For you to understand how much to offer for any home of interest, it's important for you to know how sellers price their homes. Here are 4 common strategies you'll start to recognize when you begin to view homes:

1. Clearly Overpriced:

Every seller wants to realize the most amount of money they can for their home, and Realtors know this. If more than one agent is competing for the same listing, an easy way to win the battle is to overinflate the value of the home in question. This is done far too often, with many homes that are priced 10- 20% over their true market value.

I counsel sellers all the time, allowing a Realtor to play this game is not in the sellers best interest. In most cases the market won't be fooled. As a result, the home languish on the market for months, producing a couple of important drawbacks. The home is likely to be labeled as a "troubled" house by other agents, leading to a longer than average time on the market, putting the seller

a lower than fair market price when an offer is finally made. If we come across a home where it is obvious the Realtor is playing this game, and the home has been on the market longer than it should have been, we have an excellent chance at offering getting a lesser price.

2. Somewhat Overpriced:

About 3/4 of the homes on the market are 5-10% overpriced. These homes will also sit on the market longer than they should. There is usually one of two factors at play here: either you believe in your heart that your home is really worth this much despite what the market has indicated (after all, there's a lot of emotion caught up in this issue), OR you've left some room for negotiating. Either way, this strategy will cost you both in terms of time on the market and ultimate price received.

3. Priced Correctly at Market Value

Some sellers understand that real estate is part of the capitalistic system of supply and demand and will carefully and realistically price their homes based on a thorough analysis of other homes on the market. These competitively priced homes usually sell within a reasonable time-frame and very close to the asking price.

4. Priced Below the Fair Market Value

Some sellers are motivated by a quick sale. These homes attract multiple offers and sell fast - usually in a few days - at, or above, the asking price. If you are fortunate enough to come across a home like this be ready to pounce on it, another buyer will come across this great home and not hesitate to make an offer.



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Note: If this article generates additional questions or a need for additional information, the following link will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

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