



Lydia Treadway

A Realtor You Can Trust

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POWERFUL BUYING STRATEGIES

1. DON'T GET "PRE-QUALIFIED! GET PRE-APPROVED

Do you want to get the best house you can for the least amount of money? Then make sure you are in the strongest negotiating position possible. Price is only one bargaining chip in the negotiations, and not necessarily the most important one. Often other terms, such as the strength of the buyer or the length of escrow, are critical to a seller. In years past, I always advised that buyers get "pre-qualified" by a lender. This means that you spend a few minutes on the phone with a lender who asks you a few questions. Based on the answers, the lender pronounces you "pre-qualified" and issues a certificate that you can show to a seller. Sellers are aware that such certificates are **worthless**, and here's why! None of the information has been verified! Oftentimes-unknown problems surface! Some of the problems I've seen include recorded judgments, child support payments due, glitches on the credit report due to any number of reasons both accurately and inaccurately, down payments that have not been in the clients' bank account long enough, etc. So the way to make a strong offer today is to get "**Pre-approved**". This happens **AFTER** all information has been checked and verified. You are actually **APPROVED** for the loan and the only loose end is the appraisal on the property. This process takes anywhere from a few days to a few weeks depending on your situation. It's **very powerful** and a necessary document all clients should have in their negotiating package.

2. SELL FIRST, THEN BUY

If you have a house to sell, sell it before selecting a house to buy! I have rarely seen a contingent sale work. Let's pretend that we go out looking for the perfect house for you. We find it and you love it! Now you have to go make an offer to the seller. You want the seller to reduce the price and wait until you sell your house. The seller figures that is a risky deal since he might pass up a buyer who **does not** have to sell a house while he's waiting for you. So the seller agrees with the contingency but it has to be a *full price* offer! You can see you may pay more for the house than you could have because of the contingency. Now you have to sell your existing house, and in a hurry! Otherwise you lose the dream house! So to sell quickly you might take an offer that is lower than if you had more time and no rush. The bottom line is that buying before selling might cost you tens of thousands of extra dollars. I always recommend that you sell first, then buy. If you're concerned that there is

not a house on the market for you, then go on a shopping trip. You can identify possible houses and locations without falling in love with a specific house. If you feel confident after that, then put your house on the market. Another tactic is to make the sale "subject to seller finding suitable housing." Adding this phrase to the listing means that WHEN YOU DO FIND A BUYER, you will have some time to find the new place. If you don't find anything to your liking, you don't have to sell your present home. Also the length of closing escrow can provide you with a window of opportunity.

3. MAKE A LIST

Before house hunting make a list of things you **want** in the new place. Then make a list of the things you absolutely **do not want**. You can use this list as a scorecard to rate each property that you see. The house with the biggest plus score is your winner. This helps avoid confusion and keeps things in perspective when you're comparing homes. When house hunting, keep in mind the difference between things that cannot be changed such as the location, view, size of lot, noise in the area, school district, and floor plan. The other factors represent easily changed surface finishes such as: carpet, wallpaper, color, and window coverings. Buy the house with strength in the permanent qualities. The superficial factors can always be changed to match your tastes. I always recommend that you imagine each house as if it were vacant. Consider each house on its underlying merits, not the seller's decorating skills.

4. DO NOT GET PUSHED INTO A HOUSE!

Your agent should show you everything available that meets **your** requirements. Do not make a decision on a house until you feel that you have seen enough to pick the best one. Go to the Multiple Listing computer with your agent to make sure that you are getting a **complete** list. When homes are selling quickly, usually a few days after listing, and in multiple offers, many agents may advise clients to make an offer **on the spot** if they liked the house. That may be good advice when the home is exactly what you want and at a reasonable price. But remember there is no urgency unless a home is drastically under priced. You also have a legal right to think about your offer and withdraw it within a specific time frame. Ask your realtor how long you have to consider. They should give you accurate information and not pressure you into a deal!

Check into the School District of the area you're considering. Information is available on every school including test scores, class sizes, % of students that go on to college, etc. You can obtain this information from my web site link.

5. STOP CALLING ADS IN THE PAPER

A word of caution - agents create ads solely to make the phone ring! Many homes have some drawback that is not mentioned in the ad, such as traffic noise, power lines, or litigation in the community. Facts not mentioned in the ad are usually more important than what is listed. Be very careful when reading ads. Remember that the person writing the ads is representing the seller and not you! The most important thing you can do is have someone on

your side looking out for your best interests. I represent my clients **exclusively!** I critique the property with an eye towards how well it meets your specific needs and I will point out any drawbacks you should know about. So whether you decide to work with me or not, pick an agent you feel comfortable with and enlist the services of that agent as an exclusive buyer's representative. Then you become a client with all the rights, benefits, and privileges created by this agency relationship, and you are no longer just a shopper. Did you know that many homes are sold **without a sign** ever going up or an advertisement ever being put into the paper? These deals go to those people who are committed to working with one agent. When an agent hears of a great buy, who do you think she is going to call? Her client with whom she has an obligation and special relationship. To get the best buy on a property, I always recommend that you carefully select your own full time professional Realtor and stick with her. Remember as a buyer you do not pay any sales commission. Your Realtor depends on your trust and good faith to work through the process with her until you find your dream home and a successful happy purchase is the outcome!

This information is provided to you by Lydia Treadway, Realtor, Bradley Real Estate, San Rafael, California.

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Please revisit her website at www.HOMESMARIN.com for more information or give her a call at (415) 785-7750 or an email at Lydia@HomesMarin.com