



## HOW TO PREPARE FOR A *Bidding War*

Buyers in many areas of the United States are facing competition for a limited number of homes on the market. We have attached a helpful resource providing five tips to help you prepare for competition when you submit an offer.

**DO YOUR RESEARCH .** You have your heart set on living in a certain neighborhood, find out how long a typical home in that location stays on the market before selling and how much homes are selling for. This will give you a realistic estimate of what you can expect to spend.

**GET PRE APPROVED FOR A MORTGAGE .** Pre approval, in addition to getting the rest of your finances in order, will help you figure out how much you can spend without over extending yourself financially.

**PICK YOUR BATTLES .** Many people are eager for a great deal on a foreclosed property or a fixer-upper. When competitive bids are involved, it's easy to overbid and negate the discount. If you're a first-time homebuyer, you may end up in a bidding war with the experienced investors who are in the market to flip a home for profit. Remember, buying a foreclosed property or home that's in despair will involve a fair amount of renovation after it's purchased. While minor repairs and updates are often par for the course in any home purchase, make sure you're ready to handle the demands of these high-maintenance properties before you bid.

**MAINTAIN PERSPECTIVE .** If your bid is rejected, it's natural to become more aggressive when you bid on the next home. However, this may cause you to pay more than you had originally intended. While no one likes rejection, don't take the bidding war too personally.

**HAVE THE CASH TO COVER THE DIFFERENCE BETWEEN THE NEGOTIATED PRICE AND THE APPRAISED VALUE OF THE HOME .** Mortgages often do not cover more than the home's appraised value. Since appraisals are partially based on comparable sales in the area, it's possible for the appraised value to be lower than the negotiated price due to foreclosed and distressed properties. In this case, it's helpful to have enough money saved to make up the difference.

If you're in the market for a new home, We can help! Call us to learn more about our local market and how we can help you find the right home. And remember, *We Are Never Too Busy For Your Referrals!*



# 5 TIPS FOR Buyers

If you're in the market for a new home, here are some tips to help you *Get Ready*.

## 1. GET YOUR CREDIT IN *Shape*

If you plan to finance your home purchase, check your credit history, especially if you're a first-time home buyer. That way, you can correct any errors, and take some measures to boost your credit score. Order one free credit report to help you get ready.

## 2. GET *Pre-Approved* FOR A MORTGAGE

Early in your search, meet with a mortgage lender who will take a look at your credit history, your savings and investment statements and your current financial situation, and give you a better picture of what you can afford and the financing options available.

## 3. ESTABLISH YOUR *Budget*

Whether you're financing your purchase or paying cash, it helps establish a budget. This will help you focus your search on great homes within your price range.

## 4. MAKE A *List*

Buying a home is a process of elimination, not a process of selection. Make a list of your ideal home's must haves and deal breakers. This will help you to narrow your search so that you can find a home that fits your current and future needs.

## 5. THINK ABOUT *Resale*

The average homeowner lives in their home for nine years. While you may purchase your home as a long-term investment, keep in mind that you may need to sell it one day.

**95% OF FIRST-TIME  
HOMEBUYERS AND 86% OF  
REPEAT BUYERS FINANCED  
THEIR HOME PURCHASE.**