

# Housing Market: Four Tips To Make Your Offer Stand Out In A Competitive Sellers' Market

*Housing Market: Four Tips To Make Your Offer Stand Out In A Competitive Sellers' Market* by Andrew Ragusa

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/EINPresswire.com/ -- 1. Take The House As Is

It can be very difficult for a buyer to get a homeowner to agree on making repairs to the property. A lot of times when a buyer asks for repairs to be made to a home, the seller might not want to be inconvenienced by construction workers walking through their home making noise.

Even though the seller might love their home, the reality is they're getting ready to leave it. Let's say there's a cosmetic issue that needs to be addressed in the kitchen. The seller is more to offer a quick fix solution rather than the best possible remedy to a problem. On the other side of that argument, if you were the seller and you had multiple offers in front of you, the convenience or lack of convenience that offers come with is something to consider when making your decision. No one's going to love the home like you so you're better off repairing it yourself.

## 2. Agree To Pay Above Appraisal

A Bidding War is a common occurrence on single family homes in suburban areas. It's important to know what happens in the appraisal process. When you apply for your mortgage the bank is



going to send out an appraiser to determine the property value.

Your bank will only approve a loan that matches the property value of the home. For example, if your offer is \$505,000 and the property appraises for \$500,000, then the bank will only approve to finance up to \$500,000. When your seller's property is in a bidding war this is one of the concerns of the homeowner or the listing agent managing the property. You can make your offer stand out by agreeing to pay whatever amount you feel comfortable above the appraisal value. For example, your offer for the house is \$510,000 with a guarantee of \$5,000 above the bank appraisal value.

If the Seller is concerned that the house will not appraise for the full \$510,000; they are at least guaranteed \$505,000 because of your promise to pay above appraisal. This gives your offer a serious advantage because there could be multiple offers in the bidding and even if one of the offers is \$520,000, there is no guarantee it will appraise for that much.

This strategy is most effective during a bidding war when the offers coming in are over the asking price.

### 3. Focus On Your Monthly Payment

Most people are buying houses with a mortgage and if you are too then all of your focus needs to be on the monthly payment you are agreeing to pay for the next 30 years. A lot of first-time home buyers get worried over the purchase price because they think they are spending a lot of money; but you're not!

Take a minute and really examine what is happening when you make an offer on a home and you plan to use a mortgage. All you're agreeing to do is to make a down payment for a percentage of the purchase price you're offering and then promising to make a monthly payment for the next 30 years. The only time you actually "spend" the total amount you agreed to pay for the property is if you are buying with cash instead of a mortgage.

If you plan to finance the home, then you are agreeing to a monthly payment; that's it. Besides if you calculate the total cost of financing a home over 30 years that's really what you end up paying; do yourself a favor, don't look! When trying to find a home put all your attention on the monthly payment and don't be so concerned about the purchase price. A lot of people don't know this but a \$10,000 increase in your offer can be as small as a \$27 a month change to your monthly payment, depending on your interest rate.

### 4. Don't Wait For A Market Crash

There's always somebody claiming a crash is coming or the housing bubble is going to burst. People who love to make this claim will say it year after year and then when it finally happens, and the market drops in price they run around saying "I told you so!" If you take a look at every housing market crash that has ever happened in time, the market always recovers and goes

higher than it was before it fell.

If you think you're going to save \$50,000 off the purchase price of a home and wait however long it takes for that price drop to happen you have to consider what's happening in the meantime. The whole time you're waiting, housing prices keep climbing and you're missing opportunities, and then finally you purchase a place for \$50,000 less than everyone else and you saved yourself \$135 a month. If that small of a difference in a monthly payment really does make a big impact for you then you're buying outside of a reasonable budget for your finances.

Waiting however long it took for the housing market to drop so you can save yourself a small amount of monthly payment is a fool's game. Buy home because you want privacy, you love the location, or want to be a homeowner. Don't buy a home thinking that it's a good investment because it's not. A good investment would pay you each month; not cost you money each month.

About [Andrew Ragusa](#)

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