



Thomas Ervin

Let's Talk About Real Estate

“HOW MUCH SHOULD YOU OFFER?”

When you find the house you want, it is time to act. How do you know how much to offer the seller? Although everyone likes to get a bargain, every transaction is unique and there are certain factors to consider in each potential purchase. Here are some things to consider:

RECENT COMPARABLE SALES: What price has this type of property sold for in the recent past? Can you see a trend in the local area that would justify an offer in a certain amount? Remember that the seller will be going to the same sales data in order to evaluate your offer. If your offering amount can be backed up by solid market data, you will have a better chance of having your offer accepted.

DEMAND FOR THIS HOUSE: Some properties have no one else interested at the time you make your offer. This situation is to your advantage because the seller doesn't know when or if another offer will come along. If the house you want is in great demand, however, you could be involved in a bidding war regardless of what the market value may be. Your best strategy may be to offer more than the seller is asking. This will often get the house when competing against someone else who thinks a full-price offer is sufficient to win the house from you. Offering a high earnest-money deposit also helps strengthen your position. Another good strategy is to obtain a pre-approval from a mortgage lender prior to making the offer, so the seller is assured in advance that you will be able to qualify for the loan amount you will need to complete the purchase.

ADVICE: The purchase of real estate is a major financial decision for all of us. Use the services of a Realtor® when you are buying real estate. Realtors know the present market and the past sales history of similar homes. They can give you the facts.