

“Negotiating Your Home Purchase”

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Some people believe negotiating is an art, others a science. It certainly can be quite emotional, negotiating on one of the largest single purchases of your life. Most people believe that price is the thing they should negotiate on but there are other factors that really matter based on your lifestyle.

In this market, you want to make sure your offer is as clean as possible, so that the seller will accept it over other potential offers. The contract terms including when you close and not adding in a bunch of contingencies will help you. Here are a few tips on negotiating your offer:

Round One: Initial Offer

- 1. Introduce yourself** - A brief written letter by you, saying how much you love the home, could personalize the home purchase and help communication. Do NOT underestimate the power of this simple action.
- 2. Get formally preapproved** - In this market, you need more than a prequalification letter, you will benefit by being formally preapproved and having a lender go thru all your paperwork. It will make your offer much stronger than others.
- 3. Be flexible on your terms** - If the seller wants you to close a little bit faster or let them potentially rent back a few days after closing, make sure you discuss this with your buyer's agent, as flexibility can win you the deal. Don't nitpick everything wrong with the house on your initial offer, as adding in a lot of things could weaken your position and come across to the seller that you'll be hard to deal with.
- 4. Respond in a timely fashion** - There's a certain time period, emotionally, that is acceptable for people and once you cross that time period, something changes in how they "feel." Be prompt in your responses to the seller.

Round Two: Post Inspection

Typically your inspection will indicate something may need repairing. This is another opportunity to negotiate now that you are deeper into the transaction. You can negotiate on repairs, a closing cost credit or lowering the price so that you can handle the repairs. A lot of people choose to make the repairs themselves after closing so that they can control the quality of the repair job.

Round Three: Post Appraisal

Don't worry too much about the house appraising as we have a very low percentage of appraisal issues here in the RTP area. If you fear you are overpaying for the house, this will be evident when we get the appraisal back and will give you another chance to negotiate on the price. We, the lender, order the appraisal when your offer is accepted and will give you a copy when we receive it from the appraiser. Both your appraisal and your inspection are done during your due diligence period and will give you time to make sure you really are happy and want to move forward with this purchase.

Remember, your buyer's agent is your negotiator and they typically have vastly more experience handling negotiations than most consumers. Lean on them to guide you and try to separate your emotions from the business at hand. Their job is to protect your interests and help you get the home of your dreams. Happy House Hunting!