

How to Negotiate a Home Purchase

There is much give and take involved in negotiating a property purchase. That's why it's important to have a checklist of what you want to get out of the deal as a buyer. Bear in mind, the home must be appraised and the lender will be looking at the fair market value on a given property. Since property values fluctuate, your Real Estate Agent should do a comparative market analysis so you are aware of the trends in the area you are shopping. This will give you an idea as to whether the seller's asking price is realistic. You will also want to know how long the property has been on the market, and if any price reductions have occurred during that time.

Make sure your Real Estate Agent is on the same page with you so he/she is able to represent you properly. You also want to know that you are working with an agent that is experienced in representing the buyer. Not all agents have the ability to provide strong representation for both a buyer and a seller. If you have not yet selected a Real Estate Agent to represent you, my team and I can provide you with contacts that have a proven track record of success with our clientele.

Remember, a good deal is mutually beneficial.

The seller will also have a wish list of what they want out of the negotiation. Listen attentively to determine what their hot buttons are. At some point along the way, you should use this information to leverage what you want out of the deal.

Find out if the seller has a deadline. Perhaps they have already purchased their new home, or have to relocate because of a commitment to a new employer. Find out what the seller's current mortgage balance is and use this to your advantage.

On the other hand, if the seller wants to move because they can't manage upkeep on the home, or don't want to invest in repairs, these problems will be passed on to you. If you are prepared to go into a deal that involves a fixer-upper, there is an loan financing program designed to provide funds for both purchase and repair. Mosaic Mortgages can provide you with more information on these programs. You would also want to know if the seller is planning this move because there are problems in the neighborhood. Take a walking tour of the area and ask the residents what the neighborhood is like. You can also ask the local police department about the crime rate, or check the local newspaper for crime listings. Don't be afraid to ask questions.

When the seller is intent on getting their way on a certain point, make sure you are getting something in return. Typically the built-in amenities such as the dishwasher and garbage disposal will stay with the home. You can negotiate other items in exchange for something that ranks high on the seller's wish list. Be prepared to split the difference so everyone involved is satisfied with the negotiation. A win-win situation for both the buyer and the seller is critical to a smooth close.

contact Michael ...

for a **FREE CONSULTATION.**