

Powerful Buying Strategies

1. Get Pre Approved

Do you want to get the best house you can for the least amount of money? Then make sure you are in the strongest negotiating position possible. Price is only one bargaining chip in the negotiations, and not necessarily the most important one. Often other terms, such as the strength of the buyers' position, or the length of the settlement period, are critical to a seller.

The way to make a strong offer today is to get "pre-approved". This happens AFTER all information has been checked and verified. You are actually APPROVED for the loan and the only loose end is the appraisal on the property. This process takes anywhere from a few days to a few weeks depending on your situation. It's VERY POWERFUL and a weapon we recommend all our clients have in their negotiating arsenal.

2. Sell First, Then Buy

If you have a house to sell, sell it before selecting a house to buy! We haven't seen many contingent sales work smoothly in the last few years, unless it's with a new home builder who has other houses to sell and can afford to put one on a contingency.

Let's pretend that we go out looking for the perfect house for you. We find it and you love it! Now you have to go make an offer to the seller. You want the seller to reduce the price and wait until you sell your house. The seller figures that's a risky deal, since he might pass up a buyer who DOESN'T have to sell a house while he's waiting for you. So he says OK, he'll do the contingency but it has to be a full price offer! So you see, you paid more for the house than you could have because of the contingency. Now you have to sell your existing house, and in a hurry! Otherwise you lose the dream house! So to sell quickly you might take an offer that's lower than if you had more time. The bottom line is that buying before selling might cost you TENS OF THOUSANDS of dollars. We always recommend that you sell first, then buy.

If you're concerned that there is not a house on the market for you, then go on a window-shopping trip. You can identify possible houses and locations without falling in love with a specific house. If you feel confident after that then put your house on the market. Also you can ask for an extended settlement period to allow you some extra time to look for your new home.

3. Play the Game of Nines

Before house hunting, make a list of nine things you want in the new place. Then make a list of the nine things you don't want. We call this "NINE OF THIS AND NONE OF THAT". You can use this list as a scorecard to rate each property that you see. The one with the biggest score wins! This helps avoid confusion and keeps things in perspective when you're comparing dozens of homes.

When house hunting, keep in mind the difference between "SKIN AND BONES". The BONES are things that cannot be changed such as the location, view, size of the block and floor plan. The SKIN represents easily changed surface finishes like carpet, colour, and window coverings. Buy the house with good BONES, because the SKIN can always be changed to match your tastes. We always recommend that you imagine each house as if it were vacant. Consider each house on its underlying merits, not the seller's decorating skills.

4. Don't Be Pushed Into Any House

Your agent should show you everything available that meets your requirements. Don't make a decision on a house until you feel that you've seen enough to pick the best one.

In the late 1990's, homes were selling quickly, usually a few days after listing. In that kind of market, agents advised their clients to make an offer ON THE SPOT if they liked the house. That was good advice at the time. Today there isn't always this urgency, unless a home is drastically under priced, and you'll know if it is.

Don't forget to check into the SCHOOL ZONES of the area you're considering. Information is available on every school. You can get directly from the school or by clicking on the education department link on our website [tracyroberts.com.au/useful links](http://tracyroberts.com.au/useful-links).

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