

Getting the Best Deal on a Home

Last Updated Friday, 27 October 2006

Buying a home is very often an emotional process especially if it's going to be your primary residence. Well, buyers, fear not -- just make sure you review these helpful tips before you make your next offer on a house. It could give you an advantage over another buyer in the market.

- Determine true market size.

There may be plenty of homes in a particular area where you are house hunting, but that doesn't mean that they'll all be suitable for your needs. Identifying how many homes actually could be right for you will help to determine your negotiating power. Choices are always critical to creating a better deal.

- Look for vacant properties.

Finding properties that are vacant is a good opportunity to get a deal. Very often sellers might have moved out because they purchased another home and they don't want to now have to carry two mortgages. The longer vacant homes sit on the market, often the more eager and motivated the sellers become to begin negotiating with buyers.

- Look for the diamond in the rough.

Have you ever been shown a house and your first thought was, "This is awful. Who would ever live here?" The home sells; the new owner makes a few changes to it and puts it back on the market. You go see it again and it feels completely different -- now it's charming and pleasant. This is the diamond-in-the-rough scenario. A lot of buyers will pass up a good buy on a home because they can't see its potential.

- Look at schools in the area.

You may not have kids but you'll still want to look at the school districts where you are planning to buy your home. This can be a good bargaining chip with the seller. If the schools are really, really great it re-affirms that there is underlying value in the property. If the schools aren't so great then maybe it's a negotiating point.

- Be willing to visit difficult-to-show properties.

Some houses that are considered good buys on the market are the ones that frequently aren't easy to show. Whether it's because a tenant is living there and won't cooperate, the seller has refused to allow a lockbox to be put on the home or the showing hours are extremely limited -- regardless of the reason, this is a home you should see. Why? If you have a home for sale with minimal showings, then there are likely very few, if any, offers. It's the perfect opportunity to bait a seller by putting in an offer.

- Be flexible with your closing date.

There are lots of reasons why sellers have to close escrow by a certain date. They may be trying to move to get their children into another school or they may have a job lined up somewhere else -- whatever the reason, if you can match your closing date with the seller's you might get the best deal on the house. Make sure you know when the seller wants to be out of the house before you put in an offer and then do your best to meet the seller's closing date.

- Shy away from price-per-square-foot method.

This method only determines the square footage of a home, but it leaves out upgrades such as recently-remodeled kitchens or bathrooms. It also doesn't take into account homes that have views or are located on very busy streets. It gives you an idea of what you're paying per square foot, but other details about the home may be the reason it is priced higher or lower than a home in the neighborhood with similar square footage.

If you can keep your emotions in check, practice patience and follow the tips in this column, you'll find you're in a better position to get the best deal on your next home.

by Phoebe Chongchua

Copyright © 2006 Realty Times