

Smith Homes Team Newsletter

Winter 2021



Six Common Mistakes Home Buyers Make

The real estate market fluctuates, making it tough to predict whether the market will favor buyers or sellers. Buyers in a seller's market *can* get what they want, but they need to bring their "A" game and be decisive. Here are six common mistakes and how to avoid them.

Not Making Your Best Offer

The motivation to buy what we want for as little money as possible is engrained in us. So, when most people see the listing price of a home, they naturally wonder what they can *really* get the house for. Offering lower than asking price is a reasonable strategy if the house is overpriced compared with other similar homes in the area, or if it's a buyer's market with lots of available inventory. But trying to get a deal when you're in a seller's market might not be the best tactic. In a seller's market, many buyers do not step up with a strong enough offer. There is usually a shortage of inventory, like today, and the competition is usually tough. We always encourage a buyer to come in with a strong opening offer.

Over-Analyzing the Purchase Price

Over-analyzing a home purchase in a seller's market is ill-advised. When you wait too long, you are at high risk of losing the home you have fallen in love with. Once you've determined the type of home you want, the location you desire, and your price range, and finally find a home that meets your qualifications, don't wait to make an offer. To give yourself more leverage, be prepared to move quickly by having your finances in order — get a pre-approval. Know how much you can truly afford, repair any credit issues, have your down payment in hand, and delay any other major purchases.

Jane Smith

Realtor™

DRE 01476506

Dudum Real Estate Group

925.998.1914

janesmith@dudum.com

Dave Smith

Realtor™

DRE 02105225

Dudum Real Estate Group

415.298.7851

davesmith@dudum.com



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REAL ESTATE GROUP

See us on LinkedIn ([dave-smith-4348655](#))
and Facebook ([@smithhomesteam](#))

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Working With an Inexperienced Agent

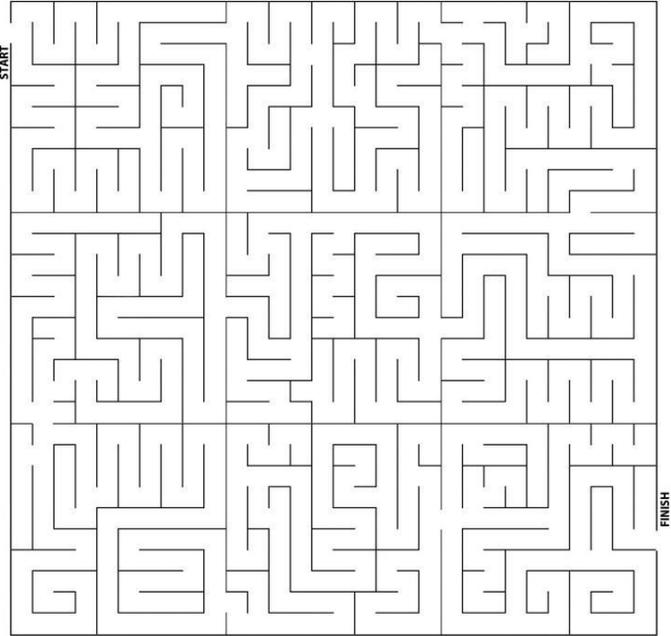
In a seller's market, it benefits buyers to get all the help they can. If you have a seasoned agent on your side, you'll probably have a better chance of getting the home you want. Plus, in most cases, buyers don't pay real estate agents; sellers do. When you are competing against other buyers in a fast-paced market, it is vital to be "offer-ready". A real estate professional knows the ins and outs of the process and can provide tremendous insight to prepare you.

Not Being Pre-qualified for a Loan

You might know that you'll be approved for a mortgage loan based on your steady income, your low debt-to-income ratio, and your high credit score. The way to prove to the seller that you're a qualified buyer is to be pre-qualified from a lender. Pre-qualification means you submitted a mortgage application, complete with verifying documents. Presenting this shows the seller that the buyer has already set the wheels in motion and is serious about making the deal a reality.

Unprepared for a Bidding War

If there is ever a time when a bidding war could be imminent, it's during a seller's market. This is problematic for buyers, who may be challenged by the need to go over budget. Our advice for buyers is set your search below your max budget to leave room in case of an over-list bidding battle.



Not Learning From Mistakes

There's no shame in learning that your offer has been declined, but it's easy to get frustrated if your offers are declined repeatedly. Learn from your last transaction(s) so you *can* move in to your dream home. You may have to let a few desirable properties slip through your fingers, have a couple sleepless nights over it, and then come back with serious intent to lock up the next best opportunity in front of you.

SOLD

Representing Seller

1207 Woodborough Road

Lafayette

\$1,599,000

2934 square feet

5 Bedrooms/3 Baths

www.1207woodborough.com



SOLD

Representing Seller

2333 Hemlock Road

Concord

\$515,000

800 square feet

2 Bedrooms/1 Baths

www.2333hemlock.com

SOLD

Representing Seller

9 Robert Road

Orinda

\$1,335,000

1461 square feet

3 Bedrooms/2 Bath

www.9RobertOrinda.com



SOLD

Representing Buyer

990 Treg

Concord

\$892,000

2,070 square feet

3 Bedrooms/2 Baths