



# Buyer special report

## Boost Your Buying Power in 6 Simple Steps

### 1) Get “Pre-Approved” Before You Search the Market

Many buyers mistakenly assume that getting “pre-qualified” is enough to give them the edge they need to acquire that perfect home. This just isn’t so. The problem with simply getting “pre-qualified” is that none of the specifics have been verified. Anyone can call a lender, give some basic information, and be deemed “pre-qualified” according to some simple calculations.

Whether or not you will actually be able to obtain financing may be another thing. In many instances, problems may surface during the in-depth application process that may put a damper on actually obtaining financing. With a “pre-approved” status, all necessary paperwork has been completed and required information has been verified.

Many sellers are aware of this and are hesitant to work seriously with buyers who are merely “pre-qualified”. Obtaining “pre-approval” places you in a far stronger buying position.

### 2) Evaluate the Pros and Cons

When viewing home after home, the details of each can easily become fuzzy. Before setting your sights on potential properties, obtain a simple worksheet on which you can record the pros and cons of each of the homes you see. This outline of positives and negatives can be a valuable guideline when it comes to evaluating, and negotiating for, a potential purchase.

Pay special attention to attributes of the property that can or cannot be changed. Certain aspects of the home such as location, style, or lot size are permanent factors of the property and are there to stay.

On the other hand, don’t get too caught up in the cosmetic attributes of the home such as paint color, flooring, and cabinets/countertops. While not always an inexpensive fix, these factors can be changed to match your preferences and often provide the greatest purchasing value.

### 3) Review All of Your Options

Don’t assume that you have to take the first house you see, or even the second. Tour all of the homes available that meet your qualifications in order to find the ideal place for you. Realtors have a vast array of properties at their disposal through the Multiple Listing Service and by networking with other agents.

Access these resources with your Realtor to ensure that you have alternatives available when you are ready to make an offer. This will give you power when it comes time to negotiate. Knowing you have choices gives you freedom to walk away if you don’t achieve your negotiating goals



#### **4) Hire a Professional Realtor to Represent Your Interests**

Having your own Realtor representing you will ensure that your interests are being protected. Your Realtor can scour the market for you, including all advertised properties, and analyze homes to determine whether or not they meet your needs. A skilled Realtor can also point out any undesirable elements of the property that may have been unknown to you.

When selecting a Buyer's Agent, make sure you share a rapport with that individual and feel confident about his/her expertise. It is essential that you feel comfortable with your Realtor since you will be communicating with him/her on a regular basis. Once this professional relationship is established, you become a "client" and receive the benefits of having a fiduciary agent on your side. This insures that you are given the best representation available under the law.

#### **5) Budget for the Unexpected**

Nothing is more frustrating than being required to come up with additional money at the last minute than what you had originally planned. If the necessary funds aren't readily available, you either have to scramble trying to acquire them or face the reality of losing your dream home.

To be fully prepared, it's essential for you to plan ahead. If possible, budget at least \$1000 more than what you expect to need. That way, you are covered in the event of unexpected changes. For instance, in an ever changing world, interest rates can change quickly, therefore altering the amount of your down payment or closing costs. If you prepare financially, you will be better equipped to deal with whatever the situation may be, all while keeping a level head.

#### **6) Be the Seller Before You Become the Buyer**

If you are a current homeowner, avoid the temptation to acquire a new residence without first selling your current one. Too many times, buyers assume that they can find the perfect home, negotiate a lower sales price with the seller, and then convince the seller to wait until they have sold their own house.

The problem is, the seller may agree to the contingency of selling your existing home, but likely they will demand the full asking price since they see your situation as being risky. By committing to you, they pass up buyers who may not have to sell a house. Therefore, you end up paying more for the home than you could have if the contingency wasn't a factor. Sell your current home before you purchase a new one.