



How to Get Any Offer Accepted

10 MUST Dos to get your offer accepted when there are multiple offers

Have you lost out on one, two, or five houses because your offer didn't get accepted?! Are you wondering how do you get your offer accepted when there are multiple offers and you are not ALL CASH at the highest price with no contingencies?

Well, it is a bit of an art but definitely doable. Frankly, not many agents know how to do it. They either don't take the time to figure out the science to the success or they just don't have enough experience to know. We have represented many buyers who have been in just this situation, faced with competing against other buyers; and when listening to our council and then doing the things we suggest, they almost always come out on top. I say almost always because I feel that we can take almost any buyer that follows our 10 must dos and position them as the "Best" buyer. You may not be all cash, you may not be the shortest closing period, you may not even be the highest price but if you follow our steps we will make you the "Best" buyer you can be and it will likely be better than any others.

Here are the 10 must dos:

1. Pre-approval with a local, very experienced lender; proof of funds

This can sometimes be a non-starter if you are using a lender that the listing agent does not have confidence in. Listing agents and Sellers want to know that you can close the transaction and close on time. Out of town, internet lenders, and big banks are notorious for not closing on time and sometimes not at all! Having a high-quality lender who has done all their homework on your file up front and possibly already has underwritten approval is a strong factor when it comes to getting your offer accepted. I have seen this one thing alone win a transaction over a higher offer with a questionable lender. Borrowing money is hard these days. There are a ton of guidelines, regulations, and nuances that effect an approval. If your lender is not at the top of his game you may not only **not** get your offer accepted, worse, you may get it accepted and then find out that your lender made a mistake or an oversight that costs you thousands, if not tens of thousands. Which leads us to #2.

Oh, always send over along with your offer the first page to any asset statements that are going to be used for the down payment. You can blackout the account number but make sure it has your name on it and it shows enough money to cover the down payment and closing costs, not a screen shot with just an account number and some money. That could belong to anyone. Make sure it has at least one person's name that is on the contract.

Scott Piper, Better Homes & Gardens Tri-Valley Realty

2. Have your lender call the listing agent

When your lender is great and has done all his homework, he can call the listing agent and talk about how qualified you are to purchase this home, how complete his file is, and how confident he is to get it done. This gives the agent a chance to ask the lender questions and get comfortable with how they communicate and how competent he is, since the lender is the one that is responsible for 80-97% of the money in the transaction. It is very important to display confidence and competence in this arena. If the agent talks to your lender and he tells the agent he talked to you over the phone but you haven't given him some key documentation still, consider your offer scratched. You need to show that you are motivated and prepared to make this offer; your offer is real. Not something you are going to "try" and get done or that you will get the documents to the lender *if* your offer gets accepted. You may be able to get away with that on second rate properties that have been on the market for more than a month and yours is the only offer the seller is looking at, not on premium properties with multiple offers. If you need a loan to purchase the home, you need to be truly pre-approved. Sellers want cash offers, so you need to display that you are as good as cash.

3. Write a compelling personal letter

This is something most buyers miss the boat on. I find that well qualified buyers tend not to write letters and the buyers that are stretching and emotional about the house are the ones that write the letters. The problem with the ones that are stretching is their offers are many times too low to even make the cut. However, when the buyer that has all the pieces together writes a compelling letter of why they love the house while pulling on the heart strings of the seller, you have them in the emotional "ether" of your offer. At the end of the day people want to do business with people they like and feel like they know. Sellers want to know that their home is going to a buyer who is going to appreciate their home and fit into the neighborhood. However, don't get me wrong, cash is King! A heartwarming personal letter is not worth \$20,000. For \$20,000 more, sellers don't care if the buyer tears the house down! I don't care where you are from, that is a lot of money. Although, if the difference is \$5,000 or less between your offer and others, it could be this one thing that pushes them over to you.

4. Short contingencies or eliminate as many as possible

This is where you can really strengthen your offer without it costing you more money. Plus, if you are going against a cash offer you must address the contingencies. There are three major contingencies in the purchase contract that a buyer can use to cancel with no recourse or loss of deposit; Inspection, Loan, and Appraisal. In today's market if a buyer leaves all these timeframes standard per the CAR contract, you are not going to get a house. It leaves too much time in the contract for the buyer to cancel without obligation. The seller stands to be damaged if you cancel 21 days into a 30-day contract.

Inspection Contingency: This should be no more than seven days. This is the only contingency that I don't think you should waive completely. Even if you shorten it down to five days, you can get almost any inspector out to a property in five days. It is important that you go and investigate the property outside of the open house when you have some quiet time to look at the house with different eyes than when you are in the excitement of making an offer. However, there is no reason you should need 17 days to do investigations as the contract suggests. If something is discovered that needs further investigation, ask for more time to investigate. At that point, you are the only one the seller is dealing with. Many people chose to waive their inspection contingency all together. I don't recommend this but

if the seller has obtained inspections already and you are satisfied with the condition of the property, you certainly can waive this and the seller will view your offer as that much stronger.

Loan Contingency: If your lender has done all their homework and you have been able to get underwritten credit approval, you should be in a position to waive your loan contingency. There is some risk involved with this contingency waiver certainly. You should have a very specific conversation with your lender and Realtor on waiving this contingency so you understand what it means. The benefit of waiving this contingency is your offer is treated more like cash when you do this. It is one less thing the seller has to worry about.

Appraisal Contingency: This is a big one for the seller. Especially if you are offering over asking price. As a listing agent, I believe that if a buyer offers over asking price, he should put his money where his mouth is. Which means waiving the appraisal contingency for anything above the asking price. This takes some understanding of the loan process but in short; you are saying that you are willing to bridge the gap with cash if the home only appraises for the list price. It doesn't mean you are paying any more for the home than you have offered but it may mean that you need a larger down payment. This is where a local agent and lender with a strong understanding of the market can help; your agent and your lender should have a very good idea of what the house is going to appraise for. Waiving or modifying this contingency can be a game changer for your offer. Cash offers don't care about appraisal because they don't need one. The bank who is lending requires the appraisal. It is how they establish the amount of money they will loan. It really has nothing to do with the purchase price. Again, waiving this contingency will create increased risk in your offer for you; as you are transferring the risk from the seller to you. Be sure you have a thorough understanding of what your exposure is when doing this.

5. Accept all the disclosures and inspections if any, upfront

This is an easy one and it again eliminates some risk for the seller. When you accept the seller's disclosures and the inspections on the property you are eliminating anything in those documents as potential reasons to cancel the contract. This gives the seller more comfort that you are serious and not going to cancel or renegotiate based on what you find out about the property; you already know about the barking dog or the water leak they repaired two years ago, the seller disclosed it to you already. That being said, if you still have an inspection contingency of only five days, you can still cancel due to anything you find out about the property, even if it was disclosed. If you discover during your inspection that you can't handle the barking dog or there is mold from the previous leak, you can cancel. Furthermore, even if the seller has recently done inspections on the property, you can still order your own inspections and cancel for anything that you find out in those inspections. Read and accept the disclosures and inspections if available.

6. Write your strongest offer (price) right out of the gate

This is really important. I have seen buyers do all the items on this list and then offer a price that is significantly lower than the house is going to sell for and not even be in the running for the house. The seller eliminated the offer all together as it wasn't even competitive with the others or the highest one. Money talks. No right-minded seller is going to choose your offer if it is \$20,000 less than what seems to be the selling point, regardless of how strong your other terms are. I tell buyers to think of a price that is the most they are willing to pay for the property. To the point in which if another buyer offered \$5000 more and got the house, you would congratulate them because you wouldn't have paid that for

the house. This is competitive thinking. You still may not be the highest price offer but you are at your highest price. And if you are the highest price or close to it, you will likely get the property with no counter offer. You want to eliminate the seller's desire to issue a multiple counter offer to the top offers. This opens the door for the other offers to clean up their terms and strengthen their offers even more. You may end up paying even more for the property or losing it to someone who now capitalizes on your terms and is willing to pay more.

7. Find out if there are any special terms the seller needs and try to accommodate them

This is part of writing your strongest offer. Many times special terms have monetary value to sellers. If the seller needs to rent back or a longer or shorter close, if there is something not included as part of the purchase or something that you want to include with your offer that you know the seller wants to sell but is not part of the "real property" transaction, write it in; terms can make or break an offer. It is important for your agent to find out if there is anything special the seller needs or wants with an offer. It shows that you are thoughtful and most importantly, eliminates a reason for a counter offer.

8. See the house at least twice. At least once when the listing agent is holding it open(if you can)

This is important for a couple of reasons; first, go see the house twice for you! There will be things you see the second time around that you didn't see before. These things may increase the value for you or they may decrease the value for you. Either way you will learn a lot going back the second time as you will be looking with different eyes. Secondly, if you can go back when the listing agent is there you can introduce yourself to that person and he can see that you are really serious. It gives you a short opportunity to build a little rapport with the agent so that the agent can report to his client that he met you and that you had been to the house a couple of times. Again, it shows strength to the seller that you are really engaged and it costs nothing! Most importantly, it is hard to appreciate all there is to appreciate about a home walking through it one time.

9. Your agent should create a connection with the listing agent

This could be the biggest mistake made today in real estate. Agents don't take the time to build their value with the listing agent. I can't tell you how many offers I have received from agents by email without even a call to make sure I received it!! It tells me right away that the *agent* isn't even engaged, how could his client be. As a listing agent, I am also choosing the agent that I want to work with. Agents can make or break a deal or determine if the transaction is smooth or there's sleepless nights. Listing agents are not only looking to close a deal smoothly; they are also looking to preserve the relationship with their seller. If the transaction is riddled with problems, the likelihood of the relationship continuing after the transaction is slim. Your agent needs to build trust with the listing agent and display his ability to run a successful transaction. Beyond calling the agent introducing himself and telling him how he works, what his relationship is with his client (you), your ability and desire to close, etc; it is a good idea if your agent doesn't know or hasn't had a transaction with the listing agent before, to look them up on social media. LinkedIn is great for this. Your agent should find out what connections he has in common and see if he can get a mutual connection to call and give a testimony for him. (If your agent is not on LinkedIn or doesn't have many connections, this won't work. In addition, they may not be leveraging other technology available to real estate agents either) This technique alone can be the difference of getting the house or not. Often the seller leans heavily on their agent for a recommendation on which

offer to go with. If he can tell his client that he has strong confidence in your agent and your agent is the only one that did x, y, z... it could seal the deal.

10. Use a local well respected agent to represent you who knows how to execute this plan

When buying a home, using a local experienced agent with knowledge of the area, neighborhood, and local customs is a must. The out of town agent many times uses a different contract, doesn't know the local contractual customs such as who pays title and escrow, and what required "point of sale" ordinances apply. When the listing agent sees this contract come across with all these items they are not used to seeing or in their opinion are "incorrect," the agent is going to discount that offer right out of the gate and highlight a different offer that is more traditional when presenting to the seller. The last thing an agent wants to do is do both agents job's or educate the other agent during the transaction. No one has time for that. Additionally, by not knowing the customs, your offer may be just outside of competitive to the others and your agent doesn't even know why. Also, using an agent who is willing to give you some of their commission back could be the most expensive savings you ever pay for. This practice is riddled with problems for the buyer. On the surface, it appears you may be saving some money. However, it is more likely you will end up spending that money and more with the need to increase your offer to get it accepted or your agent just flat out missing key negotiating points because their business model doesn't allow them to get involved in the transaction at that level. Discount services are just that, discounted. Therefore, you are not getting the full service and representation that you need in the largest financial transaction of your life. The agent that offers a discount has the "discount" mindset. He must make it up in bulk to compensate for the discount. When an agent is focused on "bulk" he is not focused on quality or customer service, it's impossible. The client always loses and most times doesn't even know it.

Select a high quality, knowledgeable, local agent who has many transactions and years under their belt. Make sure they know the science of getting an offer accepted. Make sure they have many good reviews from past clients and colleagues. Make sure they are active in your market now, real estate is their only job, and you can communicate clearly with them.

If you would like help selecting that agent or would like to speak to us about how we can help you get *your* offer accepted, call or email right away. We would be honored to help you.

Professionally yours,

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