

## Offer Strategies for Buyers to Win in a Seller's Market

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### On the Purchase Sale Agreement (PSA)

1. Make sure all information is accurately filled out on lines 1-10 of the PSA – this makes you look like an experienced and knowledgeable agent.
2. Don't ask for anything on lines 23-24 unless it is already offered or included.
3. Line 39, unless you are using an escalation clause, Buyers should offer the maximum amount they are willing to pay for the house and would rather walk away than pay anymore.
4. Line 46 - If Buyers have to get a mortgage, finance as little as possible to show financial strength. Good financing percentage might be 60% or below.
5. Line 85, pay cash if at all possible.
6. Line 100 – waive the appraisal contingency if at all possible.
7. In the event you cannot waive the appraisal contingency, talk to your Buyers about “appraisal gap coverage”. The Special Stips language could be: “In the event, the house does not appraise for the contract amount, the Buyer will pay up to \$10,000 over the appraised amount, but not to exceed the \$355,000 purchase price.” Note, this is only possible if the Buyers can bring more cash to closing.
8. Line 143 - ask the Buyer if they are willing pay all title expenses.
9. Line 147 – Sellers are not paying closing costs in this market.
10. Line 149 – Your Buyers should always have their own title company. If the Offer Instructions say the Buyers should close with the Seller's title company, talk with your Buyer about the potential limits this could cause before they agree to use the Seller's Title company.
11. Line 154-156 – Offer a lot of earnest money – more than traditional. Always insist earnest money be held by a Real Estate company – even if the “Offer Instructions” say they want it held by a title company. If it's going to weaken your offer to not allow them to hold earnest money at a title company, then talk with your Buyers about the potential risk of that.
12. Line 186 – Always call the Listing Agent and ask what day would be convenient for the Sellers to close and use that date if possible.
13. Line 193 or 195 – Always call the Listing Agent and ask if the Sellers need time to move out after closing. If so, include a Temporary Occupancy Agreement for Sellers to give them the time they need, AND, don't charge them any daily rent to stay.
14. Line 290 – If the Buyers want an inspection, (ALWAYS RECOMMEND THEY GET AN INSPECTION), then minimize the days for inspection period, ie., 5-10. Then – make the inspection on a Pass/Fail basis. This means the Buyer will NOT ask for any repairs. They will either take the house “AS IS” or Terminate the agreement. Possible language for Special Stips, “If the house passes inspection, Buyer will accept the property in its present “As Is” condition with any and all faults and no warranties expressed or implied via the Notification form or equivalent written notice. Seller will have no obligation to

make repairs. If the house Fails inspection, Buyer will furnish Seller with a list of specified written objections and immediately terminate this Agreement via the Notification form or equivalent written notice. All Earnest/Trust money shall be returned to the Buyer upon termination.

15. Line 318 – If at all possible, Waive the inspections, however, ALWAYS RECOMMEND THE BUYERS GET AN INSPECTION. Also, checking this box will waive the Termite inspection which might be required by the lender. Be sure you check with Lender.
16. Line 388 – Don't ask for a Home Warranty. Check line 393 instead.
17. Line 481 – Always call the Listing Agent and ask how much time the Sellers want to respond to the offer.
18. Below line 509 – Always fill out everything. It makes you look very professional and detail-oriented.

#### Additional Strategies:

Always call the Listing Agent to discuss the Sellers wants and needs. During this conversation, you can establish a good relationship with them and say encouraging things about the strength of your buyer. Look for reasons to make connections while you are looking at the house, ie., travelers, sports fans, twins, college, animals, number of kids, gardeners, car clubs, wine connoisseurs, etc.

If your Buyer is using an Escalation Clause, keep it simple. Ie., \$1,000 - \$5,000 above the next highest bonified offer.

Always send a Pre-Approval letter from the Lender or a Verified Cash letter from Financial Institute.

**Think outside the box...**what does your Buyer have that will "sweeten" the deal...?

Can they offer a free week-long stay at their beachside condo in Florida?

Do they have great tickets to a big concert coming up?

Do they have tickets to Titans or Preds games?

Can they purchase a membership to the Legends Golf Course for a year?

Will they pay XYZ Lawn Service to cut Seller's grass for a year at their new location?

Will they pay ABC Landscaping Company to Wow their landscaping at their new location?

Do they have an autographed Michael Jordan basketball they will give the Sellers?

Can they give them an Uber Gift card worth \$1,000 so they can enjoy events in their city without fighting the traffic? Uber is in most cities.

Can they give a \$1,000 Door Dash gift card for food whenever they don't feel like cooking?

Tickets to Disneyland if the Sellers have children.

Whatever it is, this cannot go on the PSA. This is accomplished through a signed letter from the Buyer to the Seller with specifics, ie., airfare included or not, time of year beach condo is available, etc.

