

Tips For Savvy Homebuyers

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As we emerge from the real estate recession, homebuyers are approaching the marketplace cautiously. Most are conservative and all are seeking exceptional value in a home purchase. For those in a position to buy, the market offers quality properties, attractive prices and low mortgage rates. An informed and disciplined approach is the key to making the most of buying opportunities. Below are ten of the most common tips that we give our homebuyer clients.

1. **Lead With Lifestyle.** A home search that starts with an *investment* mindset rarely results in the best home from a lifestyle perspective. A lifestyle-oriented search, however, focused on quality real estate, will result in a home meeting your unique needs and be a sound investment.
2. **Narrow the Field.** A home search contemplates your purchasing one home. The process, therefore, is largely one of elimination that results in identifying that home. Narrowly defining your criteria – property type, size, price range, location, etc. – to where the number of homes meeting the criteria is manageable is the first phase in this process. Until your criteria are sufficiently narrowed, the number of options (including new listings coming on the market) will be overwhelming.
3. **Think in Terms of Resale.** In looking at any particular home, our first consideration is the prospect of selling that property for our client in the future. In choosing a home, think beyond your unique needs and preferences and consider what the broader buyer market demands. Even if you don't mind the busy street, lack of storage or the functional quirks, future prospective buyers will. Consider Tips #4 and #5 below.
4. **Focus on Fundamentals.** The real estate recession made clear the importance of sticking to the value basics – location, quality, function and curb-appeal. Focusing on these fundamentals will help ensure that the home you purchase maintains its market appeal over the long term.
5. **Seek Positive Differentiation.** Focus on a home having one or more features that distinguish it from its competition. This is particularly important with homes that have a *commodity* character about them, such as suburban neighborhoods, townhomes and condominiums. When it comes time to sell, we want your home to rise above the competition.
6. **Understand the Seller's Situation.** Each seller has a unique situation that dictates his level of motivation to sell. The more we know about the seller, the better our negotiating position. In the current market, knowing how the seller's mortgage debt compares to the property's value is critical. Knowing the home's history on the market is also valuable. The best buying opportunities usually involve highly-motivated sellers with plenty of equity in the home.
7. **Consider the Pendulum Effect.** History has demonstrated that real estate markets act like a pendulum. Home prices had clearly *swung* too high, and they will likely prove to have *swung* too low. Buyers who recognize this and act accordingly will benefit from the next *upswing*.

8. **Know What a Good Deal Looks Like.** Generally speaking, depending on the property type and neighborhood, homes in metro Atlanta can be purchased at prices between 2001 and 2004 levels. Newer homes can be purchased at well below their replacement cost.
9. **Be Decisive.** Recognize that other buyers will be attracted to a particular home for the same reasons that you are. Despite the general lack of buyers in the market, the best homes are selling. If it's the right home, write an offer. Delay only serves to give another buyer the chance to slip in.
10. **Be Aggressive, Not Reckless.** Our job is to help our clients purchase a home at the lowest possible price – period. Rather than an unsophisticated *low-ball* approach, we believe that the best results come from entering a negotiation with good information and a sound strategy.



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