

Ready to Make an Offer? 4 Tips for Success

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So you've been searching for that perfect house to call a 'home' and you finally found one! The price is right, and in such a competitive market you want to make sure you make a good offer so that you can guarantee your dream of making this house yours comes true!

Freddie Mac covered "[4 Tips for Making an Offer](#)" in their latest Executive Perspective. Here are the 4 Tips they covered along with some additional information for your consideration:

1. Understand How Much You Can Afford

"While it's not nearly as fun as house hunting, fully understanding your finances is critical in making an offer."

This 'tip' or 'step' really should take place before you start your home search process.

As we've mentioned [before](#), getting pre-approved is one of many steps that will show home sellers that you are serious about buying, and will allow you to make your offer with the confidence of knowing that you have already been approved for a mortgage for that amount. You will also need to know if you are prepared to make any repairs that may need to be made to the house (ex: new roof, new furnace).

2. Act Fast

"Even though there are fewer investors, the inventory of homes for sale is also low and competition for housing continues to heat up in many parts of the country."

According to the latest [Existing Home Sales Report](#), the inventory of homes for sale is currently at a 4.7-month supply. This is well below the 6-month supply that is needed for a '[normal](#)' market. Buyer demand has continued to outpace the supply of homes for sale, causing buyers to compete with each other for their dream home.

Make sure that as soon as you decide that you want to make an offer, you work with your agent to present it as soon as possible.

3. Make a Solid Offer

Freddie Mac offers this advice to help make your offer the strongest it can be:

"Your strongest offer will be comparable with other sales and listings in the neighborhood. A licensed real estate agent active in the neighborhoods you are considering will be instrumental in helping you put in a solid offer based on their experience and other key considerations such as recent sales of similar homes, the condition of the house and what you can afford."

Consider ways of making your offer stand out! Many buyers write a [personal letter to the seller](#) letting them know how much they would love to be the new homeowners. Your agent will be able to help you figure out if there are any other ways your offer could stand above the rest.

4. Be Prepared to Negotiate

“It’s likely that you’ll get at least one counteroffer from the sellers so be prepared. The two things most likely to be negotiated are the selling price and closing date. Given that, you’ll be glad you did your homework first to understand how much you can afford. Your agent will also be key in the negotiation process, giving you guidance on the counteroffer and making sure that the agreed-to contract terms are met.”

If your offer is approved, Freddie Mac urges you to “*always* get an independent home inspection, so you know the true condition of the home. If the inspection uncovers undisclosed problems or issues, you can typically re-negotiate the terms or cancel the *contract*.”

Bottom Line

Whether buying your first home or your fifth, having a local real estate professional who is an expert in their market on your side is your best bet to make sure the process goes smoothly. Happy House Hunting!