

HOME BUYING IN A COMPETITIVE MARKET

A “seller’s market” doesn’t have to mean the home of your dreams is beyond reach. Use this guide to help get a leg up in a competitive market.



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WHAT'S INSIDE THIS GUIDE?

Preparing to act quickly | Optimizing your home search | Tips to boost your offer



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EVALUATING THE MARKET



WHAT IS A SELLER'S MARKET?

A seller's market occurs when the demand for housing exceeds the supply, resulting in more buyers to compete with and fewer homes to choose from. This environment generally makes selling homes quicker and buying more competitive.

WHAT ARE MY OPTIONS IN A SELLER'S MARKET?

Buying your first home?

Separate yourself from the competition!

You'll want to find ways to give yourself an edge over other buyers—exactly what this guide is designed to help you do. With the right preparation, your dream home could still be in reach!

Already a homeowner? Sell and upgrade!

If your current home has equity, this could be a great time to sell and upgrade. If you have an older home, you might want to buy a lower-maintenance new home. Existing home doesn't fit the way you live today? Look for newer options with features like home offices or tech centers, covered outdoor living space and more!

PREPARING TO ACT QUICKLY

In a competitive market, the ability to act quickly can prove a major differentiator. After all, you could be going head to head with several other highly motivated buyers, including those who've been on the hunt a while, as well as cash buyers. Take the following steps at the outset and set yourself up to seize the right opportunity before others get to it.

STEP 1: GET PRE-QUALIFIED

Pre-qualification is an easy way to determine how much you may be able to borrow, helping to streamline the lending process down the road. This gives you better odds of obtaining financing for the right home before another buyer makes an offer. It also gives you a good estimate of which homes fit within your budget.

Bonus tip!

Your credit score can affect whether you get approved for a mortgage—and even what interest rate you're offered. Help improve your credit with our 8 Credit Score Management Tips, available at RichmondAmerican.com/Credit.



Information you'll need to pre-qualify:

- Information from most current 30-day pay stub
- All asset information (recent two-month checking/savings account info, retirement funds, stocks, bonds, etc.)
- Creditor information (credit card statements, auto loan statements, etc.)
- Dates of employment; address and phone number of current and previous employers
- Information from W-2 statements for the last two years
- Rental information for the last two years (if applicable)

Contact HomeAmerican Mortgage today! Call **866.400.7126**.

Military buyers: reference VA financing information in our military guide at RichmondAmerican.com/Military.

STEP 2: FIND THE RIGHT REAL ESTATE AGENT

Before searching for homes, channel your efforts into finding a qualified real estate agent—preferably one who knows how to maneuver in a tight market. This can provide you with a capable ally who can negotiate on your behalf should you find yourself facing multiple bidders on a resale home. Even if you're skipping the bidding wars and buying a brand-new home, an agent can still be a valuable asset.

Here are a few questions for prospective agents:

1. What's your experience in a seller's market?
2. What are your strategies for giving your clients an edge?
3. How well do you know the area?
4. How much time are you able to devote to finding a home that meets my wish list?
5. How long have you been working in this market?

Bonus tip!

Real estate sites like Zillow and Redfin feature ratings to help you find top-ranked agents in your area.

STEP 3: MOVE IN WITH FAMILY OR FRIENDS

Things can happen quickly when you make an offer on a home, which may mean you'll have to sell your current house and pack everything up in a hurry. It can be a challenge to get moving dates lined up. To simplify, consider selling your home even before you've found a new home, then put everything in storage and move in with family or friends for a while. It won't be forever, and hopefully it sets you up for greater excitement rather than stress when you find your new home. Another strategy if you have the budget: find an apartment with a month-to-month lease.



BIDDING WARS, BEGONE!

New homesites are sold on a first-come, first-served basis—eliminating the specter of bidding wars with other buyers. Plus, a new home allows you to pick your floor plan, which might score extra points with your wish list.

OPTIMIZING YOUR HOME SEARCH

It's time to get down to the business of finding a new home. Create a wish list for everything you're hoping to find (bedroom count, amenities, location, etc.) and then begin the search. *Here are a few pointers for optimizing your search online:*

Bookmark top listing sites

Zillow, Trulia, Redfin, NewHomeSource.com: these are good websites to have on speed dial. You can even set up automated emails from many websites that alert you when a new listing meets your criteria.

Bonus tip!

If you buy new instead of resale, you can go directly to homebuilders' websites for new listings—often before they appear on third-party sites!

Crowdsource your home search

Tap your social network to supply you with hot tips on neighborhoods, new market listings, school district comparisons, and so on. You never know where your golden opportunity will come from, so don't overlook a little help from your friends. Don't forget you can also follow homebuilders and real estate industry pros on social media for an extra dose of homebuying news in your feed!

WHY BUY NEW?

Resales often need more repairs

Tackle your wish list in lieu of a repair list.

Storage for today's lifestyle

No more trying to cram your clothing into a 1950s-era closet.

Efficiency

New homes are built with better insulation and include modern energy-efficient features.¹

Modern layouts

Designed for the lifestyle of today's homebuyer.

Safety

Skip the hassle of bringing your home up to recommended safety standards.

KEEPING AN OPEN MIND

With more buyers and fewer options on the market, it may be difficult to fulfill every item on your wish list within your preferred timeframe. Stay open-minded about which priorities are negotiable to better your odds of finding a timely dream home. *Here are a few pointers for creating a flexible home search.*

Expand your search radius

Limiting yourself to a seven-block radius will only make your search more competitive. Expand your horizons by driving around several neighborhoods and cities. There may be plenty of attractive second options in your general area of interest, and you'd be surprised how a slight change in location can affect the range of available homes and prices.

Timing is everything

Patience is a virtue—especially if you have strict wish list items. Stay in tune with the market and be willing to act when the right home surfaces. Even one day could make the difference if someone else is interested in the same home as you.

Be adaptable about floor plans

Need four bedrooms because you want one for an office? Keep three bedrooms in your search. There might be a home with a loft or a nook that can double as an office. Limiting your search criteria limits the number of homes available to you—something you might not want to do in a market with an already limited supply.

Bonus tip!

Building a new home from the ground up offers the advantage of structural options. For example, you might opt for an extra bedroom instead of a loft.

SCOUTING SCHOOL DISTRICTS

Found the perfect home but your preferred district is across the street? Remember that many areas offer open enrollment.

GET PLUGGED IN

Put yourself in the know on the latest quick move-in homes, communities and more at **RichmondAmerican.com/Sign-Up**.

TIPS TO BOOST YOUR OFFER ON A RESALE HOME

There may be other buyers trying to outbid you on a resale home, so you're going to have to find ways to make your offer stand out from the crowd. Here are a few techniques to help boost your appeal:

1. Limit the number of seller's concessions.

If you're competing with highly motivated buyers, you might benefit from limiting the number of demands you ask from the seller. Otherwise, your offer may pale in comparison with someone more willing to buy the property as-is. Here are some common concessions to consider.

- **Closing costs:** It's wonderful if the seller is willing to pay closing costs, but the odds of that decrease with each competing buyer that jumps in the fray. If it's in your budget, give yourself an edge by offering to finance closing costs yourself.

Why new is better: You might find special offers on homebuilders' websites—or third-party listing sites like NewHomeSource.com—potentially making a brand-new home more affordable than a resale!

- **Move time:** Sellers often want to move quickly, especially if they've already bought their next home. By agreeing to their preferred closing date instead of insisting on yours, you might better your odds of landing the contract.

This could mean it's worthwhile to break your apartment lease or spend a little time juggling two mortgage payments—or it might not. Above all, make sure you understand your finances and what you can handle. Remember, a temporary move-in with family or friends, or even a month-to-month apartment lease, may be worth it!

Why new is better: Many builders offer the option of to-be-built construction or quick move-in homes—giving you more control over your moving date. Keep in mind that the estimated closing date for to-be-built homes may vary depending on weather, permitting and other factors beyond your builder's control.

- **Repairs:** Does the roof need to be replaced? Are there cracked tiles or patches of drywall that need fixing? In a buyer's market, it's common to request that the sale be contingent on these types of repairs. However, with competing offers on the table, it could well be more advantageous not to make such demands.

For example, \$600 for a new water heater is a small price to pay if it gets you in the home. Just make sure you don't bend on the wrong repair! If there are major foundation issues that you don't have the money to correct, buying that home would put you in a tough spot.

Why new is better: Don't have the time, inclination or funds to remodel or repair a resale? Consider buying a brand-new home! Spend time enjoying your new house instead of toiling through the renovation blues.

- **Home inspection:** A professional home inspection is one cost you don't want to skimp on when buying a resale, but who pays for it is entirely negotiable. If the competition seems stiff, this is another bill you could offer to foot yourself.

Why new is better: When you buy new with Richmond American, you'll enjoy scheduled walk-throughs during the construction phase and scheduled follow-ups after move-in, reviewing everything from the wiring to the plumbing and other structural details. Plus, our new homes come with a limited warranty for added peace of mind.²

2. Submit your offer ASAP

Timing can be everything in a competitive market. You might find that the best way to make your offer stand out is simply to beat other buyers to the punch, so don't delay when a listing pops up in your area of interest. Get out there ASAP (even on weekdays!) and make sure that your offer is at the top of the stack.

Why new is better: Many new communities offer plenty of available homesites, meaning you'll often have more flexibility to browse at your convenience without the fear of missing out on the only house in your desired neighborhood.

3. Get creative with your offer.

Sometimes it helps to think outside the box to sway a seller. For example, some sellers might find the proposition of a rent-back agreement enticing—allowing them to rent from you while they locate a new home. Perhaps you're moving up and they're downsizing, in which case they might find a property swap attractive. Or maybe they're selling because they want to travel by RV across America, and you just so happen to have an RV you're willing to part with. Just about anything can go into the contract, and you never know what might seal the deal.

Why new is better: No need to get that fancy with a new home contract. If you're the first qualified buyer to sign on the dotted line, the home is yours!



ABOUT OUR COMPANIES³

RICHMOND AMERICAN HOMES

Richmond American has been building new homes for families since 1977. Our calling cards? Quality craftsmanship, timeless value and a personalized homebuying experience from start to finish. We understand your home is one of the most important purchases of your life and we want to get it right. Whether you're deciding on your neighborhood, your floor plan or your bathroom tile, it's the personal touches that make the difference. And that's what Richmond American is all about. With us, it's personal.TM

Our New Home Specialists are standing by to help you kick off your home search. They have the information you need to compare Richmond American communities and floor plans across your area. Want to know what your commute will really be like? Curious if there's shopping nearby? Your dedicated New Home Specialist has the answers only a local would know. Call **888.500.7060** to get started today.

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Our experienced loan officers are available to answer any questions you may have regarding financing your new home, or refinancing your existing home. Call us today at **866.400.7126**.

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Put an American Home Insurance Specialist to work for you. Call **888.325.8108** to discuss your insurance options.

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At American Home Title, we understand what your home means to you and we want to help you protect it. Our staff of dedicated professionals will take the time to guide you through the process to protect against adverse title claims and risks that may not surface until long after your closing.

Call us at **855.248.4853** for more information. Services are available in Colorado, Florida, Maryland, Nevada and Virginia.

NOTES:

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1:

Energy-efficient features and specifications vary by location, may not be available on all plans, and are subject to change without notice. Visit a Sales Center for details regarding community and plan features and specifications.

2:

Warranties are subject to terms, conditions and limitations. Visit a Sales Center for details on the warranty provided in connection with the purchase of a Richmond American home.

3:

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