

The LDM Team

Valuable Advice on How to Buy the Property of Your Dreams in A Hot Market

From a seasoned real estate professional

Well, lets start by what you can expect in this fast paced market...Yes, the low interest rates, high demand and scarcity of supply has made buyers jump- and jump fast on their homes of their dreams. Currently the buying conditions have multiple bids, purchasers waiving their financing contingency, buyers bidding at or sometimes as high as 25% over the asking, contracts being signed within 48 hours, and sellers choosing the most qualified buyer.

Sounds overwhelming? Not really. Its just a matter of getting yourself prepared, so when you walk into that WOW home, your efforts will be fruitful.

Hire a NYC Specific Condo/Coop Mortgage Broker. You'll want to have a competitive edge and start by calling NYC mortgage broker. I cannot tell you how many times a broker who represents a seller will cringe with a mortgage broker who does not specialize in Manhattan. Why? Coops, condops and condo's are very unique and require special handling, just as a home on the water or purchasing outside of New York. Think of it like this- when your car is in disrepair, do you take it to an expert who specializes in your manufacturer, or do you chose an expert of another make. Chances are, you go to the expert for your brand of vehicle.

Hire a NYC Residential Real Estate Specific Attorney. Its very simple, yet many times this can be a potential threat to a transaction or even a red flag to not accept the offer, as time and simplicity are pertinent to a sale that is so heavily weighed. In choosing your real estate attorney you guessed it, a NYC specialist should be first on your list. Contracts and sales practice from county to county are vastly different- take it from someone who has purchased in all parts of Manhattan and found out firsthand. NYC mortgage brokers, appraisers and attorneys know exactly what to look for, what the contract should contain, what to look for in a building, how to decipher extensive financial information and offering plans of your building of choice, how to save you precious time and money and give yourself a better chance with a seller. In addition, they have all the valuable resources to get the transaction expedited quickly and efficiently when you need them most.

Get Pre-Approved. Once you've chosen your mortgage broker request a pre approval letter, which is provided once they run your credit and verify with documentation your income, assets, liabilities. Save these, as you'll need them for the board package as well. Understand how much you can borrow and what your monthly mortgage payments are, and find a wonderful real estate professional who will explain maintenance or common charges and monthly taxes to you. This will give you the clearest picture of your monthly costs as well as write offs and create a search recipe that's right for you.

Be prepared to show your stuff, meaning you will be asked to provide all your financial information and possibly verification when submitting your offer, so a seller knows how qualified you are. Please keep in mind all this information will be needed for the board package, the loan and the offer and is held strictly confidential and shredded after its intended use. What kind of documentation are we talking about? Employment letters, bank and asset statements, full tax returns and reference letters. If this is over the top for you, we strongly suggest purchasing a CONDO.

Its not only how quick, how high the price and how qualified you are but also how cooperative you are.

Be prepared to act fast. If there are several individuals in your party who need to see the property to make a decision, bring them along. The worst thing you can do is have seen a property you do not like. If you do find it's the perfect home for you, time is not on your side. Have your broker place the offer with all your financial, attorney and mortgage information along with your offer as quickly as possible. Ask them if you are the first bidder if they'll honor it even if other higher bids come in after an accepted offer. Communication and guilt is key here.

Be prepared to pay the asking price or above. If it's a great property and priced well, other buyers will like it just as much! At times there are sealed bid situations with many buyers and the best advice I can say is...pick the top number that you won't mind spending and that you won't be upset if you lose it at to another purchaser. When you do get your home, you'll be confident you got a great price, as there were many others bidding to get such a great property.

Be prepared to waive the financing contingency. What this means is that if you cannot get a loan you will still purchase the property. This seems to get people scared and yes, I have waived it myself many a times. This always seems ironic to me since one wouldn't go through all this time, effort and trouble not to purchase a property anyway AND since you've already spoken with a mortgage broker, got the property appraised and know how much of a loan and under what conditions you can borrow it makes sense to feel confident that you will get a loan. Loans are much easier to obtain than people think and with a seasoned mortgage broker working with you, they choose which bank and their products will best suit your needs.