

Episode 7

Nadeska Alexis: [00:00:00] Hey, I'm Nadeska Alexis and you're listening to Beginner to Buyer. Beginner to Buyer is powered by Chase Home Lending, and you can get more great tools and useful information to help you buy your first home anytime by visiting BeginnertoBuyer.com.

On our last episode, we were able to start imagining and envisioning what a first home could look like with some guidance from Drew and Jonathan Scott. That was a lot of fun, and like they explained to us, every buyer's list of wants and must-haves will be very personal to them. But what you need to remember is that getting too attached to specific homes can be dangerous. To prevent yourself from getting emotionally tied up in a situation like that, it's important to have that list of non-negotiables. Those are the things you really need for yourself and your family to be happy and comfortable. Having that list ready will give you a very clear picture of what you can afford ahead of time. And that preparation also puts you in a position to make quick and level-headed decisions when it comes time to make an offer. Now, once you've found a house that you're interested in putting an offer on, how do you actually move forward?

Tasha Lemley: [00:01:04] So I am Tasha French Lemley and I am a multimedia professional freelancer and social entrepreneur in Nashville, Tennessee. Our current living situation is fantastic. We have rented from the same landlord for 11 years. We love him so much. In fact, one of the houses we looked at is next door to him. So we are in a two bedroom one bathroom house.

Nadeska Alexis: [00:01:27] Wow. Okay. I think in all of my years of living in apartments and knowing other people in apartments renting, there's maybe five people I've ever heard give such glowing reviews of their landlords, so that's really nice to hear. So, if you are happy with your living situation and your landlord, what was it that actually made you start to consider wanting to buy your first home?

Tasha Lemley: [00:01:45] We have considered buying our first home off and on throughout the years. And then I think working more from home, pandemic, realizing, "oh, wouldn't it be great to have this or that", you know, in addition to what we have. And then, my mom is also terminally ill. She lives about two hours away, and I think there's an ungrounded feeling, no matter what age, when you're facing becoming an orphan, that makes me, you know, this isn't our home, you know. We definitely don't own this place. And I think our desires are kind of simple, so a little bit more permanence or an illusion of permanence in this, in this life, and then, a little bit more control, a little bit more space. The other thing that I think kind of pushed us in this season is, like in other places, our area of town in this city in particular, the housing market is nuts. There's kind of a panicky feeling of, while we're in Nashville I don't want to live in another part of town. And are we getting kicked out of our own part of town? And in some ways, yes.

Nadeska Alexis: [00:02:47] Wow. That's something definitely something a lot of people are going through even out here on the east coast. I see it, you know, a lot of people moving in or out of big cities. So, you know, a lot of it happened because of the pandemic. A lot of

people were working from home and being able to work remotely gave some people freedom to move about. Did you start making some offers?

Tasha Lemley: [00:03:05] We did.

Nadeska Alexis: [00:03:06] And how did that go?

Tasha Lemley: [00:03:07] It's awful. Oh, it's awful. It was. Oh, my gosh Nadeska, the first offer we made. So this was August, 2020, and I saw a listing on Facebook of all places that a house was for sale that kind of looked like it could be great for us. So we drove by, we met the owner at the time, and we engaged in a conversation with her for about two months. And, you know, I'm naive, I don't know anything about any of this. And so it comes time to make an offer. I mean, I don't know how to do that. You know, she had mentioned a number early on, then she kept raising the number every time we talked because of how much work was going into it. And so I mentioned a number somewhere in the middle. She literally walked away from us in the front yard after two months of this conversation. I was like, "whoa, like what in the world?". So we went home kind of broken hearted after such a long conversation of, you know, a two month engagement with her.

And we called a realtor. He came right over and we tell him what happened, and he said for sale by owners are often disasters. So after that, he got on what we were looking for pretty quickly and pretty quickly we found a house that we absolutely fell in love with. And we bid at that point 3,000 over asking. So we bid within four hours of it going on the market. They collected bids all weekend, I believe. Monday morning we found out we didn't get it.

Another house in our neighborhood, really close, came up. We go look at this house, literally down the street from us, and we want to do a bid. Everything's moving really quick, and so we put in a bid on that one. This one, we did bid 21,000 over asking and we did not get it. And so I hit a wall again. So during this two weeks, that old for sale by owner from last August popped up on Zillow.

Nadeska Alexis: [00:05:07] Stop it.

Tasha Lemley: [00:05:08] So I have this, this new realtor. He reaches out to her. She is interested. So he tries to put in a bid and realizes she's already accepted another bid, they were officially under contract. He's like, "well, you can't do this". And she's like, "well, but I like your bid better". He's like, "you can't do that". So once again, we are, our hearts were dashed on the rocks of this house. So we are exhausted. We are just exhausted.

Nadeska Alexis: [00:05:35] Yeah it sounds like your experiences have been incredibly stressful, so I don't blame you for just wanting to take a couple steps back right now. You know, your earlier story, your first story about going for a for sale by owner is not a story that you hear very often. It's something that in my search, I've seen those signs, I've considered reaching out myself, and I never knew what that experience would be like. So it sounds like at that point you didn't have a realtor and thankfully they swooped in and could help.

Tasha Lemley: [00:06:00] These large numbers for us are, were so hypothetical at the time. Like \$235,000, like who's ever seen that much money? And then we find out, "oh, that's

actually reasonable and we would be approved for that, you know, much more than that". So, but these numbers are so huge to us that we don't know what we're doing. Our realtor seemed to think that a lot of the litigation would happen over promises that were never delivered.

Nadeska Alexis: [00:06:24] Right. I'm really sorry that you had to go through those experiences, but it sounds like from this that you feel like now a realtor is really an invaluable person to have on your team.

Tasha Lemley: [00:06:32] Oh my gosh. Realtors are fantastic. They talk you down off a ledge, they, they make you believe you're not crazy, you didn't do anything wrong, and that there will be something out there. That's different than a salesperson, that is a personality that is able to walk through one of the greatest financial life decisions with a person. They stand in the language gap, they stand in the legal gap, they stand in the paperwork gap between someone like us and someone selling a house. There's just such a gift to that, that they're able to negotiate level-headed and objective with the best interest of everyone in mind. And the emotion of having to see the owner face-to-face, it messes everything up

Nadeska Alexis: [00:07:17] It's not just a business transaction. It is such a personal experience to you, and I'm really sorry that you've had to go through all of this. I'm sure right now, it really feels like you can't see the bright spot. I'm sure things will change and more homes will come available. And hopefully you find the one that is absolutely perfect for you guys. And in the meantime, you still love your landlord, right? So that's something to be happy about. You're still in a place that you love. So thanks again so much for sharing your story with us.

I think Tasha's experience gave us some great firsthand insight on the big role that a real estate agent plays in your journey to becoming a homeowner. As she shared her stories, it became more and more clear why working with an agent early on will make things so much easier on you when it comes time to buy offers can move very quickly, especially in this hot market, so home buyers need to be ready to put in a competitive bid that stands a real chance of getting accepted. You also need to be prepared to let properties go, which is really, really hard if you already have an emotional attachment to the house.

So to help us walk through the sometimes intense process, to help walk us through this intense process, I reached out to Matt Laricy. Matt is the Managing Broker at Laricy, one of the top real estate groups in Chicago. He's going to share some useful advice for first time buyers who are ready to make that offer.

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So Matt, during a lot of my conversations with first time home buyers, I'm learning that a lot of them are really confused about how the entire process works. So let's say they've gotten to the point where they've toured a house and they really love it. What is their next step? Like, how does the process of making an offer work?

Matt Laricy: [00:08:48] The first step would be figuring out what the value is of that property. And in doing so, every state is different. Where I'm from we use comparables, which are called comps. We run a comparable market analysis to see what the numbers are for properties that have sold in the area and then make an offer based off that.

Nadeska Alexis: [00:09:05] Okay. And what kind of information do home buyers need to have in order to put in an offer quickly? Because that's very important in this market.

Matt Laricy: [00:09:12] In order to have something done as fast as possible, you can try to have your agent have, like, the comps sent you ahead of time. So if you love a place, you're like, "Hey, send those to me upfront, so before I tour I kind of already know where things trade". And then also have a pre-approval letter or pre-qualification letter from your lender, so they're ready to go, they already have that. Because when you make an offer, you have to show that you can afford it, and by having, like, a Chase pre-approval letter armed and ready will make you much stronger than the next person.

Nadeska Alexis: [00:09:40] Absolutely. I mean, in your experience, what would you say are some of the most common reasons that an offer isn't accepted?

Matt Laricy: [00:09:46] Well, number one is always going to be price. Price will always be the biggest issue. But you know, there's a lot of other factors that can play of why you can win out. It would be, you know, what your down payment is, whether or not you're willing to waive your financing. So a lot of people in this market are waiving financing, meaning that their offer's not contingent on their mortgage. So that's a reason why somebody could lose. Inspections are really difficult periods. A lot of people try to beat up the seller after they get an offer accepted to try to ask for a lot of money back. So by taking the property as is, it can be a reason why you can win or beat out another person. And lastly, uh, personalized letters have become big, you know, making people understand who you are. Because right now the seller just knows you as a number on a, on a piece of paper. But if you submit kind of like, I always say like a cheesy letter to kind of humanize your offer, we've won out a lot of multiple bids because people got to know who the client was and they kind of connected with them a little bit more.

Nadeska Alexis: [00:10:37] Thank you for mentioning that. I mean, it's very much been a seller's market recently, so I would love it if you could walk us through some more things that buyers can do to really stand out in such a competitive market. And first of all, how much guidance should a buyer be expecting from their agent in this part of the process?

Matt Laricy: [00:10:52] They should lean heavily on the realtor so that they can have an understanding. Essentially our job is to make sure that we give you guys sound advice. You know, we're kind of like consultants in this. And if they understand where the values are and where the values are going to go, they're going to feel a lot more comfortable about making the offer.

And probably one of the biggest problems in a market like this is that things are moving so fast that you're starting to see a lot of like cold feet buyers. That they're like, in that moment, when you're in that kind of multiple bid, you're going higher than you thought you would

have wanted to go, and then you regret it and you pull out of it. So the best thing that buyers can be is prepared to kind of know what they're getting involved with. So being told like, "Hey, this is where things are going to trade. I know this asking price is merely a suggestion, so be prepared to pay over this. We might have to go to X price and this is how much you're going to be overpaying for it" and understanding what contingencies they're going to have to waive. Like maybe they have to waive the mortgage, or people are waiving appraisals a lot. So, you know, most contracts are contingent on the bank telling you it's worth the price you're paying. So a lot of people are waiving that. The as is, the letters, I've heard buyers are offering to take sellers out to dinners or on vacations and things that are crazy.

But, I mean, no. In a market like this, you have to kind of be prepared to understand where you could be going with the value. I think that's the most important thing because all too often I'm seeing people just kind of feel a little bit too rushed in making it, and they weren't told, like, this is how it is. I tell those types of buyers that you might have to lose one or two to really understand, like, how quick some of these things move.

Nadeska Alexis: [00:12:21] Absolutely. I mean, I know about writing letters to a seller, but I had no idea that taking them out to dinner or drinks was even an option. It sounds a little bit extreme, but generally, especially in the recent market, have you been encouraging most of your clients to write letters? Is it always appropriate or only in certain situations?

Matt Laricy: [00:12:37] I have my clients have letters pre-prepared, you know, so that they're ready to go. Obviously they would change certain things, but like who they are, where they came from, and things like that doesn't change from property to property. The way I look at it is if I'm a seller and I got 10 offers in front of my face, like it's just number, number, number, number. And then I have another person, their kid's name is the same name as my kid, we were in their position they were when they wanted to buy this, and they're 5,000 less than the other offer, but man, like I emotionally feel connected to this type of person. And a lot of people buy a property based off of, you know, an emotion.

And it's such an emotional part of your life because that's where you live, your kids are raised, that's where all stuff kind of went through and you know, your house is almost like a member of your family. And when you're giving that to somebody else, we want somebody else to be connected with that as well.

Nadeska Alexis: [00:13:21] That's such a great point. As a buyer, there's a lot of emotions involved for you, right? Because you're trying to create some memories there. But you forget that the person selling also has an emotional attachment to that property as well. So thank you, that's really helpful. You also mentioned contingencies. Appraisals inspections. I'm wondering which contingencies do you think buyers can safely compromise on to secure a house and which ones should they probably never compromise on?

Matt Laricy: [00:13:44] I would probably say that the ones that you should probably definitely do is like as is. Because if you're in a multiple bid, you know, and there's another offer on the table and you don't take it as is, even if you did an inspection and you wanted some stuff taken care of, they would just cancel the deal and go to the other people. Because usually when you, when you lose a deal, it means you wanted even more. And what's going

to happen there is that the other people are going to probably raise their offer. So the seller is going to have a backup offer now that might be higher than yours. You did an inspection and now you're asking for more cash back and the sellers like, "screw it, we're just going to cancel the deal and move on with the next offer". An easy no-brainer in my mind is, is take it as is because it's going to strengthen your initial offer and the fact that you're not gonna be able to ask for anything anyways, it just doesn't make sense to do it.

The riskier one that, I wouldn't say to never do it, but you have to really feel confident in is the mortgage contingency. Waiving your mortgage contingency means that you're getting rid of that big crutch that you could fall back on that, hey, if you lose your job and the place under appraises or something crazy happens where you're not able to secure financing anymore, that you have this crutch you can pull out and usually get all your earnest money back. If you waive that, you're pretty much kind of saying that no matter what happens, I'm buying this place. And if I can't buy it. I'm going to move forward with the cash to do it. And if you're a younger first-time buyer, you may not have that liquid assets to be able to pull the trigger on it.

Nadeska Alexis: [00:15:07] Thank you. That's a little bit terrifying, so I appreciate you pointing that out. You mentioned taking a property as is. So some people have been completely passing on inspections just because of bidding wars. So in your professional recommendation, should you still push for the inspection, just so you at least have an idea of how much you might need to budget for repairs, or in some circumstances you would think it also makes sense to skip the inspection entirely if you really want the house that badly?

Matt Laricy: [00:15:31] I mean, I would always take it as is. Again, I think this is where you need to kind of rely on your agent a little bit from somebody who's seen the property a lot. You know, so you can usually identify some of the problems, not all of them by any means, but some of the major issues you could see just kind of from walking through it. But, if the seller allows you to do an inspection, I would always do it so you kind of have the idea of what you're getting involved with. Most sellers don't care if you do one, they just know that there's the understanding that you're either going to kill the deal or move forward at that point. So where, where, I'm from in Illinois, like, you're always allowed to do it. They won't deny it. It's just the fact that there's the understanding that there's a signed agreement, literally signed agreement, that states that you're either going to move forward after the inspection or immediately kill the deal.

Nadeska Alexis: [00:16:16] Okay, that makes sense. And when it comes to the down payment, how much does the down payment affect an offer? Of course, that can range from as little as 3% down to 20% down, or some people who have the cash want to put up more. How much does that affect an offer?

Matt Laricy: [00:16:31] It does make a big, big difference because essentially if all things are equal, two offers at \$400,000 and one's 20% down and one's 3% down, the least risk one is going to be the one that's 20% down. So buyers have to realize that if you put yourself in sellers' shoes, they want to see the least path of resistance, meaning what's the less riskiest deal I can go with. So every dollar below 20%, cause that's always what's been ingrained in our heads because you don't have to pay PMI and stuff like that. So any dollar below 20% is

going to be a riskier option than something that's 20% or greater. So if you have the funds and you're nervous to liquidate some assets, but you really want the place, I would go ahead and make sure to put down the more of a down payment. If you're only a 3% down buyer, you're probably going to have to pay a little bit more than the next person, because you are looked at as a riskier buyer. So in order to increase your odds and chances of winning out, you're going to have to pay for that, unfortunately.

Nadeska Alexis: [00:17:27] Alright, so there's definitely a trade off there. And can you tell us what an escalation clause is?

Matt Laricy: [00:17:33] Sure. So an escalation clause means that you're willing to go up to a certain price only if somebody else is willing to go there. So these are really big in my market where it's like, you know, let's use \$400,000. You'll say, "hey, I'd be willing to go up, you know, my offer is 400, but I'll go up to 425. And I would increase my offer, you know, \$1,000 more than the next one". Meaning that the next highest offer, your escalations up to four and a quarter, the next highest offer is 415. You essentially are now going to pay 416 for that property, okay.

The problem that some sellers have with escalation clauses is that they get upset. Because now again, I always put myself in somebody else's shoes. So buyers out there, when you're thinking about this, you have to think, well, how's the seller gonna react to my offer, right? So if I'm a seller and I get an offer of saying like, "hey, it's 400, but they're willing to go to a four and a quarter only if somebody else is willing to go there", I'm a seller that's like, "well, I want the 425. Where's my 425", right? Like I see, now I want it.

Nadeska Alexis: [00:18:29] Right, of course.

Matt Laricy: [00:18:30] But then their agent has to explain to them like, "listen, they're not, no, their offer's not 425. It's only if somebody else wants to give you that". Now you're kind of leaving a little bit of a bad taste in their mouth, because every seller gets a little greedy once I see the money on the paper, right. So now they're like, "I want that 425". So I've seen people lose deals over escalation clauses because the seller got offended by you only willing to go there if somebody else did. I've also seen a lot of people win out because of escalation. So there's, there's no right or wrong answers. I'm a big believer of putting your money where your mouth is, and if you're willing to go there, then just do it. But escalation clauses have become increasingly popular. In fact, they've become so popular that associations have to create their own riders to make sure that the consumers, the buyers are protected.

Nadeska Alexis: [00:19:14] Wow. That is very interesting. I did not know that. Okay. So yes, offending the seller is probably not a move that you want to make if you really want the home.

Matt Laricy: [00:19:20] Everything's relative in life, right? So it's like, every market's different, every situation is different. I can't say to never ever use them. I'm personally not a big fan. 50% of agents think it's the greatest thing in the world. And 50% of them think they're terrible. I would always say that you want to lean on your realtor to understand, like, is this a situation where you think it's better. A great idea is to have your realtor call the other agent

up and say, "hey, is there other people who are using escalation riders and what is your client's opinion on it?", right.

A simple call can clear up a lot of the stuff. I think that's one of the biggest problems that people run into is that their agent doesn't call up the other agent. I mean, I can't tell you how many properties I sell a week and I will tell you that almost nobody calls us. And the people who call and ask for information, we're usually, we're sales guys, we want to talk, right. Well, we usually divulge a lot of information to the other realtor of what's best to do. "Hey, my seller wants this. They're looking for this". Maybe I talked to the other agent and they're like, "hey, if you send me over an escalation rider, you're going to be at the bottom of the pile". Maybe I talk to them and they're just telling me like, "hey, my client loves this whole escalation thing".. Lean on your agent to find out what the seller wants, because ultimately we're trying to impress, to have them pick us. Unfortunately, we're not driving the car here, the seller is, so we have to do what they want.

Nadeska Alexis: [00:20:35] This is very good to know because as a buyer, I've often been confused about how much the other agent, the seller's agent is actually allowed to disclose to you. So it's good to know that you guys are all pretty chatty people, and you're just waiting for someone to call and ask you some questions. So on the other side of the escalation clause then, do you recommend buyers, especially in a competitive market, do you recommend that a buyer comes in at the very top of their budget right out the gate and then maybe try to negotiate down? Or is that not a great strategy?

Matt Laricy: [00:21:01] Well, I mean, they can't come out, like a buyer can't come down because once you make an offer up, you can't go down from there. But if you're a buyer and you want to make an offer on a property that, what we would consider a hot property, right? So a hot property is something that we know is going to move fast. I say you put your best foot forward or close to your best foot forward first. So, again, this is where you're going to want to lean on your agent. Because like, is your initial offer going to be the only offer you get? Are you going to be able to get more than one opportunity to make an offer?

Because a big thing in this market is people doing what we call highest and best, right? So everybody's initial offers in, then you get a call from the listing agent and they say, "hey, everybody bring in your highest and best offer", so you get a second chance. And it's like a blind bid to go as high as you're willing to go. A big problem I see buyers make right now is that buyers still think they want to be able to win. And I say that the win in this market is being able to get the property. That's the only win you're going to get. So what you want to do is make sure that you come out of the gate swinging. So don't go at a price that's low for what the seller is going to think with your initial offer, because you'll always be looked at again, you're just a number on a paper, so you're always going to look that to the seller as, "well that's the one that came in really low to start", right, "but the other one came in better first. Let's go with the other one".

Every single move you make is going to be calculated in the seller's eyes. Sellers obsess over every detail in the contract. So make sure your contract's clear. That's another big thing. Don't miss any checkbox. You'll be surprised how people will kind of hone in on one little detail. And if it's a close offer, these little things are going to change your chances of winning,

either for the better or for the worse. So if you're going to make an initial offer, come out of the gate, give almost your best foot forward first, if they're still going to be calling for highest and best so you have a little bit of a wild card in your back pocket, but do not come in low and then think like, "hey, when they call for highest and best, I'll come in higher later, because I don't want to show my cards up upfront". That's a bad move because more sellers than not are going to look at you as kind of the more difficult buyer. And again, sellers want to have the least path to resistance out there.

Nadeska Alexis: [00:23:01] Wow. Okay, yeah. So you don't want to count yourself out of the game so quickly.

Matt Laricy: [00:23:05] Correct.

Nadeska Alexis: [00:23:05] Hey, before we hear even more helpful tips from Matt. I want to let you know that you can find additional insights into the home buying process at beginnertobuyer.com.

Now, in terms of people actually submitting offers, how are most offers submitted? Are people doing this virtually? Are you submitting offers in person? How does that work?

Matt Laricy: [00:23:13] I mean, I will tell you, I can not remember the last time I've handwritten a contract. It's been many, many, many years, or faxed a contract. I mean, we use DocuSign, a lot of agents use Dotloop, whatever, you know, Dolby, whatever's out there. Everybody does digital signatures these days. It literally takes less than two to three minutes to drop a contract. You can actually apply templates. So this is a real cool thing for realtors out there to do, is in, like, in DocuSign, you can have a template drawn out. So like, all you're really doing is switching out a name and a price, and the contract's already ready to go. So I could literally fill out a contract in under 15 seconds. You can do it right on your iPad. So you can be with the clients, and within 15 seconds, they'll have the contract in their inbox. They can even get it texted to them so they can pull up their phone, sign in two seconds, I get a copy back, I forward it onto the other side, and then I call up the agent and present it. And within 30 to 45 seconds, that seller's agent's been presented the offer and the signed contract. And that's how quick technology is working these days. And that's, you know, why it's good to make sure that your realtor is kind of connected with the internet and technology, because things are moving fast and you're either going to move fast with it, or you're gonna fall behind. And buyers have to be prepared to be able to kind of act quick like this, to win out in this market.

Nadeska Alexis: [00:24:20] Wow. I mean, and since everyone does have to act so quickly in order to secure the property that they actually want, how can a buyer avoid making an emotional offer? You know, when they're trying to get a house and just keep in mind what they can actually afford, and B don't get caught up in a bidding war and then move in and realize that maybe you didn't like that house as much as you thought you did when you wanted to win.

Matt Laricy: [00:24:39] Yeah, the emotional buyer is a tough one, and a lot of home buyers fall into this. I always tell people ahead of time is that like, you know, I look at this like a

business okay. Like, so look at your financials and say, hey, if 400,000 is your line in the sand, you can not spend a dollar over 400, let's kind of realize that first hand now. Because if you go up to four and a quarter later, okay, so you're at 425 and your line in the sand was 400, you know, that that's really all you can afford, if you go to four and a quarter, once that deal is done, you're going to regret that decision. And you're more likely than not going to want to pull out of it and get cold feet. So when you're making a decision, you can't make an emotional one because emotional decisions, people are going to ultimately regret at some point. You know, because you're in the heat of the moment, it's kind of like you're at Vegas, you're there, you got the money on the table, you're excited. And then you have lost or won, and after the fact you kind of have the time to sit back and think about it. Now you're like, "wow, was that really the best use of my time and money?" Right? So if you go into this mentally understanding what's going to happen with this and what your finances are upfront and where you feel comfortable with, this won't be that difficult of a decision.

But I do think a lot of home buyers don't work with their, let's say Chase mortgage lenders, out there to understand where they have to be and how much money they're gonna have to bring to the table and what their closing costs going to be. And if they're mentally prepared for how much money they're gonna have to bring, this emotional decision will be much more of a business decision and people have a lot less business regrets than they do emotional.

Nadeska Alexis: [00:26:05] That is great advice. Okay. I'd love to also talk a little bit about the typical timeline between the point that you make an offer and you're signing a contract. Can you tell us some of the reasons why the length of that timeline can vary a lot? You know, for example, you know, a counter offer, what that is and how that affects the timeline.

Matt Laricy: [00:26:22] You know, everybody does things differently, okay. Every state's different, every county's association is different. But I mean, I will tell you the nuts and bolts of it's the same. So everybody has these contracts, okay. Like in my market, we have these 13 page long contracts. I send these to buyers ahead of time and I'm like, "hey guys, here's this. I have a contract key. I will walk you through anything you want to be walked through. So when I give you the contract, you're signing it in less than 15 seconds. Because we are not going to have the time to walk through an hour of what this contract is in a multiple bid situation". Because sometimes it's Sunday, 9:00 AM that property goes on the market, by 10:00 AM they got 10 bids, and by 12 o'clock they're calling highest and best. Now we just lost time going over something that we could have done, you know, weeks ago. So make sure that you're familiarized with what that contract is. And if you are with that, in all honesty, you know, signing a contract should not take literally any more than 15 seconds tops, literally tops. The offer process of negotiations itself, if it's a highest and best multiple bid situation, there's going to be a deadline. So there's not going to be that much time to waste, other than the fact that like it could be two or three days, some people wait a week to collect these offers.

In a normal, non multiple bid situation, if you make an offer on something and there's no other offers in that counter you, typically standard business is that people are going to get back to you within 24 hours. I try to not put deadlines on there. And if you're a first time buyer out there thinking like, "well hey, I don't want them to shop my offer, let's put a hard

24 hours or less deadline on the contract itself". And I tell people, listen, again, we're not in the driver's seat in a seller's market. Most sellers are going to read a deadline as if you're difficult. They're going to say, "who's this guy to tell me how to operate my house". And I always have to talk sellers off the ledge, like "no, Mr. Seller, listen, they're just, they just want an off, you know, an answer".

Nadeska Alexis: [00:28:09] Right.

Matt Laricy: [00:28:10] The best way to do it is have your agent brief the other agent, say, "hey, if it's possible," right now, I'm trying to be nice, "if, if it's possible, could we please get a response within 24 hours? It would be great. My client has a lot of decisions to make" yada yada yada. And then, that's a way to be like, the selling agent now is on my side. Like, "hey, I want to get this wrapped up too. Let's try to get back to them in a timely manner". But by putting it on a contract with a hard deadline of a response time, I will tell you more times than not, it ends up biting you in the butt because sellers read that as a demand. And a seller in a seller's market doesn't want to feel like they're being demanded anything.

Nadeska Alexis: [00:28:46] Right. Again, more advice on not irritating the seller during this process.

A ton of helpful advice there from Matt with all of his experience working in the real estate market. So, remember that losing a home you love can be discouraging. We're human, it's going to happen sometimes. But knowing your limits ahead of time and using logic, instead of pure emotion, will give you the resilience to eventually find the right home. This next point is definitely worth repeating at least one more time, having an agent in your corner is a must. Find someone you trust who can help you put together a competitive bid. If your offer is accepted, you're going to feel pretty relieved, but the house still isn't yours quite yet.

So Matt will be back to take us through what happens next. Until then you can check out BeginnertoBuyer.com to learn more. Beginner to Buyer was created by Magnet media and Chase Home Lending. Our executive producers are Keosha Burns and Akash Vaswani. Our lead producer is Anna McClain, our audio editor is Will Watts, and Kelly Drake is our production assistant.