Tips for Cape Cod Home Buyers

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Seven Strategies for Overcoming Today's Challenging Cape Cod Housing Market

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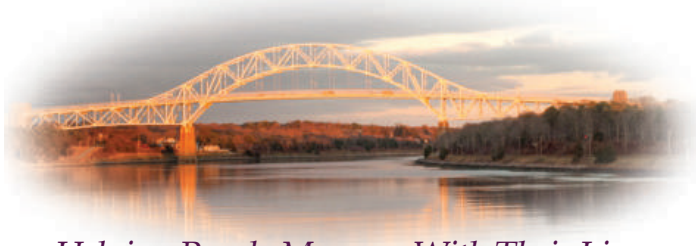

Helping People Move on With Their Lives

As you may know, the Cape Cod Real Estate market is on fire. Due to the pandemic, there are more buyers yearning to buy a home on the Cape than ever before, while at the same time, inventory remains low. Therefore, all too often buyers get their hopes up about a home they love and are devastated when their offer does not prevail. Here are some strategies for overcoming the challenges that have worked with my clients.

#1: Homes are being snatched up even before buyers know about them.

You and your agent need to keep a constant vigil. Most of my buyers are looking constantly at new listings daily on sites such as Zillow.com, Realtor.com, and Homes.com. Reach out to me and I can set you up on a free, no-obligation, automated Multiple Listing Service Subscription so that you will see new listings even before these third party web sites display them. I will just need to know from you:

- The Cape towns you would consider;
- The maximum price you would feel comfortable paying;
- The minimum number of bedrooms and bathrooms you desire;
- Seasonal or year round;
- Condominium or single-family home;
- Water view; and
- Other important criteria (e.g., home style, type of heat, air conditioning, lot size, privacy, living area, master bedroom on the first floor, etc.).

#2: By the time buyers are able to come to the Cape to look at a home of interest, it is usually too late.

Cape homes today are often under agreement within a few days of listing. Be ready to travel to the Cape on a moment's notice. If a well-priced, quality home to your liking comes on the market you have to be ready to see it as soon as possible.

#3: The competition among buyers is intense.

Only fully-prepared buyers stand a chance of having their offer accepted. Get pre-approved for a mortgage well in advance. The lender will ask you to provide tax returns, pay stubs, W2s, statements showing your financial assets, and a variety of other information. Assuming you qualify, they will provide you with a pre-approval for the amount of money they will lend you. This is important because you don't want to get your heart set on a home you can't afford or have to settle for a home if you can afford a better one. Reach out to me if you need the names of some good lenders. If you are paying cash, you will need to submit, with the offer, a statement showing that you have enough readily-available funds available for the purchase.

#4: Many sellers are giving buyers only a few days to make an offer.

All decision-makers should see the property immediately. There may not be enough time for you to scout the property and then bring your spouse or other decision-maker at a later date. Sellers don't like to accept "sight unseen" offers because there is too much at risk for them. Instead of accepting your offer, taking it off the market and waiting for you to come see it, it is less risky for them to accept an offer from someone who has already seen the property. If it is impossible for you to get here quickly, another possibility is for me to walk you through the home via FaceTime or create a video tour for you. Bring a checklist to make certain the home meets all of your criteria. In case you decide to make an offer, bring a blank check for the initial refundable deposit (typically $500 or $1,000). During the showing, take photos and videos for others who were unable to attend.

#5: Offers made by buyers have to be creative and competitive to prevail.

Meeting the needs of the seller is crucial. Prior to your submitting an offer, I will find out what is most important to the seller (e.g., purchase price, terms of the agreement, closing date, etc.) so that your offer can best meet their needs.

- **Pay cash if you can.** Generally, cash offers are viewed more favorably by sellers because they don't have to wait to see if you receive a mortgage commitment and the closing can take place sooner.
- **Offer to pay over the listing price.**
- **Borrow less rather than more**. If you are going to borrow money, the less you borrow, the more favorable your offer may be to the seller.
- **Offer to make a large second deposit.** The second deposit is given to the seller after the home inspection at the time of the lawyer-created Purchase and Sale Agreement.
- **Offer to pay more than your lender's appraiser says the home is worth.** You can offer to pay the difference in cash.
- **Use an escalation clause.** Offer to pay an amount such (e.g., $2,500) over any other offer the seller receives up to a maximum dollar amount.
- **Write a letter to the seller.** Tell the seller what attracted you to the property and why it is special to you. Some sellers will ignore such a letter; others may be moved by it.

#6: Sellers are in the driver's seat and are not shy about making demands.

- **The seller might ask you to waive the home inspection.** This can be very attractive to sellers, but it is risky for you. You could, instead, say that you will conduct a home inspection, but will buy the home as-is (i.e., without the seller having to make any repairs) and will only be looking for structural and safety defects. Then, if the inspection identifies something major is amiss with the property, you can always walk away from the deal.
- **Be flexible with the dates.** Some sellers want to close quickly, while others want to take their time so that they can find another place to live or have time to pack their belongings. The more flexible you can be, the more attractive your offer will be to the sellers.

#7: Keep your cool!

- **The transaction is strictly business.** Try not to get too emotionally-charged.
- **Don't give up**. It will be disappointing if your offer does not prevail. Rest assured, other nice homes will come on the market. If you are persistent, you will eventually end up with a great home and the homes you lost out on will become just distant memories.

I would welcome the opportunity help you. Reach out to me and I will be glad to assist you. It would be my honor and privilege to help you move on with your life by buying a home here on wonderful Cape Cod. And, as you may know, my services to you will not cost you anything since, although I will represent you, my commission is paid by the seller.

What my buyer clients have been saying about me:

"Bruce is a wonderful Realtor®. He was well organized, conscientious, and extremely helpful throughout the process of buying our home. He guided us to several excellent choices of professionals needed to complete the purchase. The whole experience was smooth and seamless. We have recommenced Bruce to a friend looking to purchase a home. We recommend him without reservation." – Dr. Michele Renchner, Mount Vernon, NY

"Bruce worked hard to guide us through the process of buying our 1st home. Despite seemingly unending small hurdles, Bruce helped us surmount them. We had financial limits that left very few options, but he found listings that met our requirements." – Mary Schmidt, Wellfleet, MA

We were thrilled with personal touch and effective advice that Bruce provided us with throughout our entire home purchasing process. In fact, this is the third home we have purchased and he by far provided the most support, was the most proactive in predicting our needs, and generally made us the most comfortable that all of our concerns were addressed. I would recommend him highly to anyone looking for a home on the cape or looking to part ways with their existing home. He even followed up multiple times post-closing to make sure we had all the help we needed."
– Dr. Scott and Meredith Lipnick, Boston, MA

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