



Ask Teri Green!
Bend Oregon's Senior Real Estate Specialist

Buyers: Avoid Paying Too Much!

Q: Teri, how can I avoid paying too much for a home?

A: When getting ready to buy a home, you should know what price to offer so that you have some control over the buying process. So, the question becomes: *how do you know what is a fair offer?*

Here's how you determine it. To come up with an offer that is accurate, there are a few important things to consider. First, you need to research the selling price of comparable properties in the same geographical location. Next, determine the condition of the home as well as required repairs. And finally, identify the seller's situation. Once you have acquired this information, you will be able to come up with a fair offer for both you and the seller.

Let's look at this in more detail.

What Have Similar Properties Sold For In This Area?

Reviewing the selling price of local houses in the area that your desired home is located will give you a definite advantage.

Specifically, you want to look at total square footage, lot size, number of bedrooms and bathrooms, type of construction, garage space, amenities such as fireplaces, pool, deck, etc. If you are looking to buy a tract home, this information will be easier to find because you can use the exact model price to comparison.

Although some comparable sales information is difficult to find by the public, your real estate agent should be able to access this information easily through Multiple Listing Service (MLS) or public records.

• MLS

This is the listing service used by all real estate agents. Through this service, the agent can locate all types of information about a specific house. Years ago, MLS was used only by licensed agents. However, this service is now available to the public simply by going to websites such as Realtor.com or HomeAdvisor.com. If you know the price and location of a house, you can look at listing prices. In addition, the MLS service will usually provide most of this information needed, although only on homes still actively listed for sale. For houses that have already been

sold, only a real estate can gain access to this information to help you determine the appropriate offer.

• **Public Record**

When a house is purchased, the property deed is transferred from the seller to the buyer. This deed is then recorded at the local county recorder's office, which includes sales information as well as other property information as a way for the property tax to be assessed. As long as there are no additions to the house, this data is public information and can be accessed via the Internet or at the courthouse. You will be able to find square footage, sales price, as well as number of rooms. If you run into a problem, your real estate agent can usually gain access by going through the insurance company. In this situation, the title company compiles the data from the county recorder's office, or they purchase the information from other companies.

• **Pending Transactions**

Since there is no record of the sales price until the house has actually sold, this makes getting accurate

information a little tricky. Obviously getting your hands on information from a house sold one month ago opposed to six months ago is far more valuable. However, until the deed is recorded, the information is not there, nor is it available in the MLS.

The reason for this is that the seller is protected should the transaction not go through and the property would go back on the market. By knowing what the buyer accepted on the first accepted offer, new buyers would have a huge advantage the second time the house goes on the market. They would have the upper hand over the seller in knowing what the house sold for and what the buyer is likely to accept.

However, keep in mind, a real estate agent can usually obtain the price information on the sale that fell

through by conferring with another agent, which is done as a professional courtesy. In addition, some real estate brokerage offices have this very information posted on a transaction board in their office.

The bottom line is that analyzing comparable information should be a huge part of your overall house buying process. Look for recent sales in the area you are interested, and determine if you have a motivated seller. If a seller has been transferred for a job, or if the house belonged to someone who just passed away, the seller may be willing to be more flexible on the price.

Need Additional Buying information?

Contact Teri Today! ...Simply email Teri at: greent@hasson.com or call her at (541) 350-8424.