

Navigating a Hot Market

The year 2021 has been witness to a boiling hot real estate market. Inventory has been low and competition has been high. For a buyer, shopping can be more imposing than a meet up with Andre the Giant. NerdWallet offers a few tips for navigating a hot market. First rule: be patient.

START WITH A STROLL — OR A SCROLL

Don't fall in love with a house at first sight. Doing so might lead you to overlook problems and, if you make an offer that's declined, suffer heartache. In a hot market, "it's more like dating than getting engaged," said agent Brent Landels of Re/Max Key Properties in Bend, Oregon. "Don't get emotionally involved in anything you're looking at until you're further down the road."

Rather, spend some time looking at what's available before you get serious. Take note of how long homes are



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REAL ESTATE 101

Tips for Finding a Great Real Estate Agent

Buying or selling a home is no small feat, and it's one of the biggest financial decisions of your life. That's why finding a real estate agent with experience to guide you through the process is key. Check out these tips to finding a great agent from Bankrate.com at bit.ly/3755EKL.

listed before a contract is pending. You might also want to look at recently sold listings online to get a sense of how much homes are really going for compared to their listing prices.

FIND A GOOD REAL ESTATE AGENT

You want someone who'll alert you to listings as soon as they hit the market, if not

before. Also, a good agent will know how to make your offer stand out.

"I was a brand-new agent at one time in my career, too," Landels said, "but in a market like this, there is no margin for error." If you're thinking about hiring a newer agent, he recommends choosing someone who works closely with a more established broker.

Interview more than one

agent, and don't hesitate to ask for (and actually check out) references from recent clients.

EXPECT TO COMPROMISE

Holding out for "the one" may not be an option in a hot market. It may be smarter to approach home shopping by thinking about ways you could make a "good enough"

home work.

Flexible expectations can give you more options in a hot real estate market. "People say, 'I want to be in this neighborhood,'" and we have to say that's great, but we have two weeks' worth of supply," Landels said. If there aren't many properties available that fit your criteria, you may need to find aspects where you can compromise.

Think about what's most important to you now, and if you see this as your potential forever home. Maybe a third bedroom can be a home office for now, and a nursery later when you've got a little one.

HAVE YOUR FINANCING LINED UP

Compare mortgage interest rates from several lenders, and get a mortgage preapproval from two or three lenders. Official loan estimates will help you compare interest rates and costs to find the best deal for you.

OFFER A CAN'T-MISS CLOSING

Especially if you're competing with cash offers, you'll want to show sellers that you can definitely close the deal. A preapproval gives you a leg up here because it demonstrates that lenders find you creditworthy. Making a larger down payment can also be enticing to sellers.



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Rather, spend some time looking at what's available before you get serious. Take note of how long homes are listed before a contract is pending. You might also want to look at recently sold listings online to get a sense of how much homes are really going for compared to their

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HOMEWISSE GLOSSARY

1031 exchange: TA means of deferring capital gains taxes on real estate exchanges for like kind properties. This is allowed under the U.S. Internal Revenue Code, Section 1031. SOURCE: MLS.com

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