



10 WAYS TO SIMULTANEOUSLY BUY & SELL

In a Seller's Market



K&E Realty 360
House to home | Clients to friends

#1

Purchase a Spec Home:

What do you do when you run out of something? Well, when possible, you make more! A spec home is a home that a builder started and/or completed without having a purchaser. Builders in our area are working hard to create new inventory. If the home is already completed, the finishes are typically set. Still, some builders will allow you to review choices and potentially make adjustments to the finishes (this depends on the builder).



This can be an excellent option for buyers as there is typically less competition, and many buyers like the idea of having a brand new, never-lived-in home. Financing for new construction is similar to financing an existing home.

#2 Buy Land and Custom Build Your Dream Home: This can be an excellent option for more hands-on buyers who want the chance to pick their own location and home finishes. More steps are involved with this option, but the end result is truly customized to your needs and dreams!



#3 Negotiate Seller Possession after Closing: It is becoming more common in this market for buyers to allow a seller to stay in the home they are purchasing from a few days up until a few months after closing to allow the seller time to secure their next home. For many sellers, possession after closing is essential. So if a buyer can offer a seller time, they may just beat out the competition!



#4

Negotiate a Longer Closing Period:

This can be a great alternative for buyers who aren't comfortable allowing sellers to remain in the home after closing. With this option, the buyer and seller agree to a closing date that is pushed out later than what's typical to allow the seller extra time if that's essential for them. So, if a buyer can offer a seller time, they may just beat out the competition!

#5

Move into a Short-Term Rental:

This option requires a double move. Essentially, buyers will sell their current home and move into a short-term rental (often three months or less) while they find their next home to purchase. The double move is one of the main downsides of this option. On a positive note, this can allow buyers to offer non-contingent offers, have proceeds from their previous home available for their down payment, and take away the stress of finding a new home quickly before their current home sells.

#6

Explore Less Competitive Areas/Price Points:

By looking into homes that are a little further out, or at less competitive price points, buyers may find more options available and get more “bang for their buck.”

#7

Submit a Contingent Offer:

With this option, buyers submit an offer on a new home contingent on the sale of their current home. Some sellers may be hesitant to accept a contingent offer, but for others who are also looking for a home while trying to sell, it can be a relief.

#8 Discuss Seller Financing:

In some instances, sellers are open to selling their home to a buyer, but instead of the buyer taking out a bank loan, the seller holds a private loan. This is a less common approach, and can be a great option in some instances.



#9 Use a Bridge Loan:

This is an option for buyers who have the financial ability to be approved for a new home before they sell their current home and have enough equity to use for the down payment. Not all banks offer bridge loans, so it's essential to discuss the best option with a qualified local lender. Buyers who use this option will often put their home up for sale once they go under contract on their next home. In other instances, buyers will wait to sell the existing home until they have closed on the new house.

#10 Use a HELOC (Home Equity Line of Credit): This option allows buyers to utilize equity in their current home for the down payment on a new home. This is similar to a bridge loan in that buyers need to be able to qualify for the new mortgage without selling their existing home first. This is an option buyers will often use if they already have a HELOC in place. This is another option that allows some buyers to list their home while under contract and allows others to wait until they close on the new home. This is a matter of buyer preference.

These are just a few of the options we have seen buyers successfully use to buy and sell in today's competitive market. All of these options have pros and cons which should be carefully considered before writing offers on properties.

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Let's talk about it!