

Winning a Bidding War Is Harder Than Ever for Buyers. Here Are Some Ideas for Success.

It is a lot harder working for buyers these days. You'd be hard pressed to find a buyer's agent who hasn't lost more bidding wars than he has won for his clients. I don't mind admitting that has certainly been true for me.

Last Sunday, however, I had a big success. My buyer fell in love with a patio home that backed to her alma mater, a Jeffco high school. Like her, the seller was a single woman, so maybe there was some sympathy there — I wouldn't know.

It's not accepted nowadays to present "love letters" from buyers, because they could lead to a fair housing violation, but it is okay to say things in a cover message with the contract written by me, not the buyer, so I made a point of saying that my buyer was an alum of that high school and relished buying this house. I don't know if that helped

REAL ESTATE TODAY



By **JIM SMITH, Realtor®**

either, but it didn't hurt and it didn't constitute a fair housing violation.

What did help was that I learned from the listing agent that while the seller was moving out of state, she was going to move her furniture to a friend's house in the greater metro area. We have a moving truck which we make available to our buyers and sellers, but we can also offer it free to another agent's client if it will help us win a bidding war. That did the trick for my buyer in this situation, and it also saved her several thousand dollars. Here is how and why.

In our offer we added an "additional provision" that Golden Real Estate (not my buyer) would provide totally free moving of the seller's furniture anywhere in the Front Range, using our own moving truck and personnel, moving boxes and packing material.

Then, instead of a typical "escalation clause" offering to beat any competing offer by one or two thousand dollars (or more), I wrote that "buyer requests the opportunity to match any competing offer in order to retain for the seller the above mentioned totally free moving benefit."

It worked. We were told the dollar amount of the best competing offer and were allowed to match, not beat, it. My buyer is now happily under contract for her dream home.

Any agent could make the same offer on behalf of his or her buyer, paying for the cost of moving. It's just that we have the economy of having our own truck and moving personnel.

Since I'm often on the listing side of a bidding war, I have seen other strategies used by agents hoping to win a bidding war for their clients. A common one is to make a quick

first offer that is substantially over the asking price but with an early acceptance deadline, hoping to get it under contract before anyone else can submit. This can pose a dilemma for the listing agent when his strategy, like ours, is to wait four days so that every possible buyer gets a change to compete.

Agreeing to accept an early offer like that should be the seller's decision, however, not mine. Yes I gave my word that we would not sell the home in less than four days, but now I modify that promise by saying that, "in the event the seller wants to accept a particularly attractive early offer, we will give sufficient notice to every agent who has set a showing so that they can accelerate their showing and offering schedule." We don't want any buyer or their agent to be blindsided. As we like to say, "the only way a buyer will lose out is if he or she drops out."

Abuse of Lockbox Access Is Serious But Rare

Access to listed properties has changed significantly over time. Long before I became a real estate broker, an agent wanting to show a listed property might have to go to the listing office to sign out the keys and bring them back after the showing. That approach would certainly not work in today's market where 10 or more showings might be scheduled in a single day.

Then we saw the introduction of lockboxes, usually with alphabetic dials, like those padlocks on high school lockers. When I first confronted one of those lockboxes as a new agent, I had forgotten which way to turn first, and I took way too long to open the lockbox. It was quite embarrassing. They don't teach that skill in real estate school!

Lockboxes with numeric push buttons are more common now, and they are my favorite for two reasons. First, you can open them in the dark, since you remember where each button is located. Second, no one will know what the code is by looking at it after you open it. Lockboxes with dials allow a buyer to look at the lockbox after it is open and memorize the code for unauthorized use later on.

Agents should never allow their buyers to know the lockbox code, nor should they give it to another agent, inspector or vendor without

approval from the listing agent. Writing the code on a listing sheet or other paper which could be seen by the buyer is a no-no. I record the code for individual showings on my iPhone where only I can see it. If I'm showing several listings, I print out the agent instruction sheet for me, giving my client a version which does not have the lockbox codes.

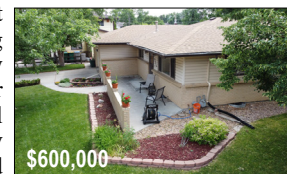
Abuse of lockbox or other access is a serious matter that can subject a broker to suspension or loss of his/her license.

Electronic lockboxes are struggling to gain acceptance in our market, although they are quite common in other markets. These boxes will only open for agents when they are allowed access, preventing them from returning on another day or at another time without additional permission. Codes are unique for each showing agent, allowing listing agents and their sellers to know exactly when each agent came and left.

The main reason electronic lockboxes have not caught on here is that abuse of the mechanical lockboxes has been quite rare. We have insurance to protect our sellers from losses related to unauthorized access, but in two decades as a listing agent, I have never filed a claim, just as I have never had a loss sustained during an open house.

5-BR Lakewood Ranch in Sun Valley Estates

Sun Valley Estates is a beautiful and quiet Lakewood subdivision of 1960s homes, including brick ranches like this one at **9566 W. Kentucky Drive**. This home has been owned by the seller for 31 years, during which time it has been well maintained and improved. You'll love the family room addition with its fireplace and included artwork. The eat-in kitchen has a unique wall-mounted table and four included chairs. Street is on a snow route and gets priority plowing in the winter. House is well insulated with 16 inches of blown-in insulation in the attic. All main-level windows are newer low-E vinyl windows. Close to Federal Center light rail station. Take a narrated video tour at www.LakewoodHome.info, then call your agent or Jim Smith to set a showing. There will be no open houses.



Condo in SE Denver Just Listed for \$190,000

This condo at **2575 S. Syracuse Way, #A207** would be a great starter home for anyone. This 2nd-floor walkup in Hunters Run Condominiums has berber carpeting, a wood-burning fireplace, in-unit washer and dryer, and a 6'x13' balcony with a 4'x8' storage closet. The HOA dues include use of a swimming pool and 101-degree hot tub a short walk from this unit. Hurry! This unit, like ones before it in this complex, will sell quickly! Visit www.DenverCondo.info to view a narrated video tour of this complex, this unit, and the swimming pool/hot tub amenity. Then call your agent or Jim Smith at **303-525-1851** for a private showing, or visit our open house on **Saturday, June 26th from 11 a.m. to 1 p.m.**



Every element of this ad is also posted at GoldenREblog.com

Jim Smith

Broker/Owner, 303-525-1851
Jim@GoldenRealEstate.com
 17695 S. Golden Rd., Golden 80401

Broker Associates:

JIM SWANSON, 303-929-2727
CHUCK BROWN, 303-885-7855
DAVID DLUGASCH, 303-908-4835
TY SCRABLE, 720-281-6783
ANDREA COX, 720-446-8674

