

**Buyer Tip: Make sure your agent does a value analysis for the home you want to buy.**

I have been helping people buy homes for over 22 years now and I have been a broker for 2 real estate offices and many agents in those years. It has always surprised me how many real estate agents do not go the extra mile to help their buyers to get the price right when making an offer.

Every agent helping a buyer should do a pricing analysis before their client writes an offer on the home that they want to buy. This does not take a long time to do with our current technology. Why is this so important? **For two very important reasons:**

1. **If you are getting a loan, you will be required to have a bank appraisal done on the property that you are buying to get your loan.** You may love the home that you want to buy and agree to pay full price or slightly less. Most agents do a pretty good job of telling their sellers what the market pricing is on a home. Unfortunately, agents do not set the prices. The owners set the price they want to get based on their needs. This may be higher than what the true market value is. Even if both buyer and seller agree on the price on an overpriced home, the bank appraisal might come in lower than what is agreed on. If this happens, the buyer only has two choices. They are to either step up to the plate by paying the difference in appraised value and the agreed on price plus the down payment and closing costs or to cancel the transaction. Before the appraisal takes place in most cases the buyer has paid for home and pest inspections and a credit report for which they cannot get refunds if the transaction fails. If the buyer's agent has done the price analysis before the offer is made, the buyer will be able to make a better buying decision before all of this happens.
2. **Paying too much for a home means that the buyer will have to wait longer to get more equity in their home.** This is why it is important to not only know what the current market value is, but also to know what the past year or two market trends have been to help the buyer to make a decision about what price to pay. Remember that history indicates that the long term trends show that real estate is a great investment and that short term trends spanning just 2 to 5 years can be more unpredictable. If you are in a position that you may need to sell the home that you buy in the near future, you really will want to buy the home at the best possible price when you buy it. It is an added insurance that you will have a better equity position in your home when you go to sell it.

It really does not matter what the reasons are. It is completely fair to ask your agent to do the homework about current values and to give you the best possible chance of closing on the home that you love while still protecting your equity. Demand this from your agent before making an offer on a home.

If you have additional questions about this information or about any other real estate matter, please contact me by phone or text at 623-882-5121 or by email: [bob@bobgarwood.com](mailto:bob@bobgarwood.com) . I am always available to help people with their real estate needs. Thank you, Bob Garwood.